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ATROCITIES REPORTED AGAINST SCHEDULED CASTES

Karachi DAWN in English 31 Dec 80 p 12

[Text]

ISLAMABAD, Dec. 30: An alarming rise in the number of atrocities against scheduled castes and tribes in India, with the situation "drifting towards a kind of class war" has been reported to Parliament by the Commissioner for Scheduled Castes and Tribes.

The number of these atrocities like murder, rape, arson and other kinds of violence — has registered a three-fold increase during the last three years, according to the Commissioner, Mr. Shahid Kumar.

The malady appears to be deep-rooted and requires more drastic steps to attack it, "he says in his report covering the period March 1978 to December, 1979.

The Commissioner has called for effective intervention by the Union Government to check atrocities. He has strongly contested a view that this subject falls exclusively within the jurisdiction of the state governments and that the Centre can content itself by only issuing guidelines to the states. In a correct legal and constitutional appreciation of the issue, the Centre has an over-riding responsibility to ensure protection to the weaker sections, he added.

According to the Commissioner, the number of atrocities on scheduled caste increased from 6, 197 in 1976 to 10,879 in 1977, 15063 in 1978 and almost the same figure in 1979. This marks an increase of about two and half times in 1978, compared to 1976. In the case of tribes, the number increased from 1,085 in 1976 to 1,138 in 1977 and 1,623 in 1978.

Crime-wise, in 1978, a total of 456 murders of members of scheduled castes were brought to notice—with Uttar Pradesh reporting 219 cases, Bihar 63, Madhya Pradesh 41, Rajasthan 38, Maharashtra 26 and Karnataka 17.

The number of rape cases was 541, which included 188 cases reported from Uttar Pradesh, 94 from Madhya Pradesh, 76 from Bihar, 48 from Rajasthan and 35 from Maharashtra.

The number of arson cases was 1302—with Uttar Pradesh again reporting as many as 445.

According to the report, about 66 per cent of the bonded labourers in the country belong to scheduled castes. They should be released promptly and rehabilitated, the report said.—PFI.

UNREST AMONG FARMERS SPREADING

Islamabad THE MUSLIM in English 5 Jan 81 p 5

[Text]

NEW DELHI, Jan. 4: Fresh violence in India's southern state of Tamil Nadu is the latest flashpoint in spreading farmers unrest for higher crop prices which is troubling Prime Minister Indira Gandhi's government.

As many as people were killed in clashes between farmers and police and more than 6,000 farmers have been arrested in Tamil Nadu since the agitation began there on Dec. 23.

The trouble in the south follows massive demonstrations by the farmers in the Western state of Maharashtra last month in which 10,000 farmers and several opposition leaders were arrested.

The farmers, who were later released, had underlined their grievances with a 365-Km (226-mile) long march across the state, demanding higher support prices for sugarcane and other crops.

The farmers movement has also spread to the northern state of Uttar Pradesh, one of the biggest sugar-growing states, where the state government has already increased the price paid for sugarcane from Rs. 18 (about two dollars) to Rs. 23 per 100 kilograms.

But the farmers are demanding at least Rs. 30 per 100 kilos and also want more for their onion, cotton and rice crops.

While Mrs. Gandhi's government has agreed that some crop price increases are justified, it feels that to meet all the farmer's demands would only result in more inflation.

Maharashtra farmers leader Sharad Joshi, who claims no political affiliations, claims that successive Indian governments have kept farmers hovering around the poverty line so industry could be developed.

Foodgrain output is officially

expected to reach a record 135 million tons in the current agriculture year ending in June, but Mr. Joshi says little of the benefit fan is its way back to the farmers.

Mr. Joshi maintains that crop price rises have not kept pace with increased electricity costs for irrigation water pumps and other farm expenses.

"A farmer sells his produce cheaply and buys his needs at any price, he told reporters.

The trouble in Tamil Nadu was sparked by farmers, who refused to pay arrears of their electricity bills and consequently their power supplies were disconnected.

Their leader, Narayanaswamy Naidu, also pressed for an increase in procurement prices of up to Rs. 150 (19 dollars) per 100 kilos for paddy.

M.G. Ramachandran, the Chief Minister of Tamil Nadu, had earlier raised the price for paddy from Rs. 105 (13 dollars) per 100 kilos recommended by the central government to Rs. 115.

The farmers seem determined to gain their ends by every available means, including violence. In Tamil Nadu they put salt into milk cans, burnt buses and trucks carrying farm produce to the cities, destroyed bridges and attacked police parties.

The Indian Express newspaper said in an editorial that while it was distressing that the farmers movement there had turned violent, the Tamil Nadu government will do well to make another attempt to evolve a peaceful settlement of the agrarian unrest.

The Express added: "the voice of the country's primary producers of food needs to be heard with respect and such urban bias as there is in development policies has to be corrected. -AFP

BRIEFS

SMALL TRANSPORT PLANE PLAN--New Delhi, Jan. 7--India proposes to go in for the production of small transport aircraft. A proposal to this effect is being considered by the Indian Government, the Minister of State for Tourism and Civil Aviation, Mr. Chandulal Chandrakar has said. The need for indigenous production of small transport aircraft he said had assumed importance following the Government's acceptance of the concept of a third level airline for more intensive coverage of selected areas. It had already been decided to provide supplementary air services to the northeast region through such an airline.--PPI. [Text] [Lahore THE PAKISTAN TIMES in English 8 Jan 81 p 4]

BOATS FOR CUSTOM FLEET--New Delhi, Jan 11--About 100 ocean-going vessels, interceptors and patrol boats will be added to the Indian customs fleet in the next two years in a drive against increased smuggling along the country's western coast. The decision was announced yesterday at the end of a meeting of senior customs officials at Kalol, western India. Minister of State for Finance S.S. Sasodia, who chaired the one-day meeting, later told newsmen that about 70 percent of smuggling activities in India was being carried out along the western coast. Sasodia said that contraband goods worth more than 60 million dollars were seized in India last year. He said that smuggling was also on the increase along India's borders with Nepal and Bangladesh. The Customs now have a fleet of 86 boats, including 60 seized from smugglers, according to the United News of India (UNI), the news agency said the additional boats would be built in India.--Reuter [Text] [Karachi BUSINESS RECORDER in English 12 Jan 81 p 3]

DROUGHT IN RAJASTHAN--New Delhi, 7 Jan--Acute drought conditions threaten more than one million people in the western Indian desert state of Rajasthan, the Press Trust of India said Wednesday. The news agency said 1,739 villages and half a million cattle are affected by the drought resulting from poor rainfall for the second successive year. In some of the affected districts less than 50 percent of the average annual rainfall (633 millimetres) was recorded last year, PTI said. The Rajasthan Government has already declared the affected villages as "scarcity-hit" and appealed to the federal Government help finance a project to fight the drought relief operations have been launched, the news agency said. NAB/UPI [Text] [Rangoon THE WORKING PEOPLE'S DAILY in English 9 Jan 81 p 7]

NATION'S LARGEST REFINERY--New Delhi, Dec 21--India and the United Arab Emirates (UAE) yesterday agreed to jointly set up a 12-million tonne oil refinery in India, official sources said here today. The two countries will share the cost of the refinery which will be the biggest in India. The agreement was reached at an Indo-UAE joint commission presided over by UAE minister of state for foreign trade Rashid Abdullah al-Noaimi, who arrived here yesterday on an eight-day visit, and Indian foreign minister P.V. Narasimha Rao.--REUTER. [Text] [Karachi BUSINESS RECORDER in English 22 Dec 80 p 2]

DEVELOPMENTS IN PORTUGUESE RELATIONS WITH EAST TIMOR

FRETILIN Leader Lobato Interview

Lisbon EXPRESSO REVISTA in Portuguese 5 Dec 80 pp 13R-15R

[Interview with Rogerio Lobato, FRETILIN Central Committee member, commander of East Timor National Liberation Forces and minister of defense of the Democratic Republic of East Timor, by Carlos Gil; date and place not given]

[Text] Next Sunday will mark the fifth anniversary of the invasion of the Portuguese colony of East Timor by Indonesian troops. Despite the thousands of deaths, deportations and banishments, that middle island has not even yet been "pacified." With greater or lesser intensity, the people of East Timor are still fighting against the passivity of public opinion and international governments and ill-concealed neglect by the successive governments in Lisbon. Last month, Rogerio Lobato, a member of the Central Committee of the FRETILIN [Front for an Independent East Timor], commander of the East Timor National Liberation Armed Forces, and minister of defense of the Democratic Republic of East Timor, agreed to an interview with Carlos Gil (who thus became one of the few Portuguese journalists to interview that East Timor leader). During the interview, Rogerio Lobato told how and why this struggle is being waged in East Timor, along with many criticisms of the conduct of various successive Portuguese political leaders who, in one way or another, were involved in the "exemplary decolonization" of East Timor.

Along with this, we are publishing a short report by our London correspondent, Maria Teresa Guerreiro, on revelations made in Australia, and reported in Great Britain by the weekly NEW STATESMAN, according to which the British and American governments connived in the Indonesian invasion of East Timor.

Carlos Gil: On 15 August 1975, the Central Committee of the FRETILIN appealed for armed resistance throughout the territory of East Timor. Civil war developed in the most distant Portuguese colony. The Portuguese army disintegrated, while its native soldiers deserted, taking their weapons with them, to join the parties in conflict, mainly the FRETILIN. The pro-FRETILIN troops commanded by

Rogerio Lobato succeeded in reversing the situation to their own benefit, and a month later they controlled the greater part of the territory. Who was this young guerrilla leader, only 25 years of age?

Rogerio Lobato: Long before 25 April 1974, I attended the Dare Seminary. In 1971, already having left the seminary, I was drafted into the Portuguese colonial army, like all the young men of my age at that time. My political affiliations began after 25 April, and were the product of the fact that I served in the Portuguese colonial army as a militia supply corporal, in which capacity I began to pursue political tasks of mobilization with the soldiers. Later, the Central Committee of the FRETILIN entrusted me with the first and only course which was finally offered for militia officers. The UDT coup on 10 August 1975 found me at the general headquarters of the Portuguese colonial army. As of that date, I was chosen by the entire East Timor military who had joined the FRETILIN to command our forces. The Portuguese army was made up for the most part of native troops. Despite the apolitical propaganda pursued by the Portuguese colonialists in East Timor, the truth is that the soldiers were above all nationalists and could not be diverted from the problems which affected our country, and the future of East Timor, at that time.

Carlos Gil: You said that the people of East Timor are essentially nationalist. But in October of 1974, when he returned from a visit to East Timor, the then-minister for interterritorial coordination, Almeida Santos, told the mass media about the patriotism and love of Portugal and the Portuguese flag he had seen among its citizens.

Rogerio Lobato: There were people in East Timor who defended links with Portugal and created conditions for persuading some that the people loved Portugal and wanted to continue to be Portuguese. The Portuguese colonials always promoted this propaganda about the love of the flag.

Carlos Gil: Curiously, there is no word for flag in the Tetum dialect of East Timor!

Rogerio Lobato: Well, this does not mean that the people of East Timor have no understanding of the meaning of the word flag. We have the FRETILIN flag, which the people truly love. But it is an insult to say that our people always loved the Portuguese flag. For us it is a strange and unfortunate attitude which a man who claimed to be progressive, Almeida Santos, adopted after 25 April, saying that the people of East Timor loved Portugal, solely because he saw some persons at demonstrations organized by the former UDT waving Portuguese flags. At that point, we had occasion to see evidence of the contrary. Almeida Santos went to see East Timor with the eyes of a colonial and not the eyes of a decolonizer. He saw what the former UDT did, but he did not report what the FRETILIN revealed in East Timor. He went to East Timor with the intention to promote the former UDT and to exclude the FRETILIN.

Carlos Gil: What did the FRETILIN make clear to Almeida Santos?

Rogerio Lobato: At that point, the FRETILIN was already the party with the most support, the greatest acceptance among the people of East Timor. The FRETILIN

had shown this in large demonstrations held for Almeida Santos. When he came, we protested against the statements he had made.

Carlos Gil: I would like to note that 28 November is precisely the fifth anniversary of the unilateral proclamation of the independence of East Timor. This fact may have been the detonator of the imminent invasion of the Indonesians, on 7 December 1975. On that day, Radio East Timor made the following statement: "The Indonesians have invaded. Their soldiers are in Dili. They will kill without discrimination. Women and children will be fired on in the streets." Then it ceased broadcasting. Later that day, the Portuguese government informed the president of the Security Council that Indonesia had invaded East Timor with naval, air and land forces, and it termed this intervention an "act of aggression." On that same day, Portugal broke off all diplomatic relations with Indonesia. I want to refer again to Minister Almeida Santos. Some months before the Indonesian invasion, he answered a question from the newspaper O SECULO on "the risk of a possible military intervention by Indonesia in East Timor" with the following statement: "It is important in connection with the unlikely nature of such intervention is the consistent and clear official position of the authorities in Djakarta, reaffirmed a number of times, including to me personally when I went there, to the effect that Indonesia does not nurture any territorial ambitions with regard to Portuguese Timor." And he went on to say: "Military intervention by Indonesia would be a serious error, and so universally and promptly criticized that I cannot imagine this step being risked for uncertain future gains. Sensible politicians do not put the cart before the horse." I would ask you now what, 5 years after the Indonesian invasion, the political and military situation in East Timor is?

Rogério Lobato: The invasion of East Timor by Indonesia was a military venture with unforeseeable risks. The plans of the Indonesian generals for controlling East Timor in 3 days, as they had initially planned, failed. On the contrary, the FRETILIN has been able to resist until now, inflicting more than 30,000 casualties on the invading army. The people of East Timor will have had to pay a very high price for their liberation, for they suffered some 30,000 casualties. Given the geopolitical situation of our country, the political-military situation is difficult, but we cannot regard it as lost. We find ourselves in the phase of struggle regarded as strategic defense, in which we launch attacks and armed actions which are small in scale and of a tactical nature. The strategic objective is to sustain the forces of the FRETILIN, to resist as long as possible, so that the prolonged nature of the armed struggle will make the contradictions among the various Indonesian generals' factions more acute. One of our goals is also to create the conditions so that the guerrilla army can give rise to a regular army, and to pursue the efforts necessary so that within a few years we can reach a balance with the invading forces.

Carlos Gil: Isn't it utopian to believe that a balance of forces can be achieved?

Rogério Lobato: We are speaking in relative terms. We will not achieve absolute parity. This would be very difficult, because we do not have the logistic support means the invading army has, with the full support of imperialism.

Carlos Gil: The manuals written by guerrilla technicians make a statement which is well known, and not only among the military: If there is not concrete support from the population, guerrilla fighters will find it difficult to triumph over the occupying or invading army. It is a question of being in one's own element.

Rogério Lobato: We too adhere to the principle that the guerrilla fighter must live in his surroundings like a fish in water. For us the water would be the people. The FRETILIN, even before the war against the Indonesian aggressors began, weighed this point and mobilized the people. I remember having said to the Australian television and radio journalists in December of 1975 that apart from the regular troops joining the FRETILIN as of 20 August 1975, we had already trained several thousand militiamen throughout the country. Our concern at that point was to provide them with a minimum of knowledge about weapons and firing, to teach them to put the bullet in the chamber, to aim and to kill the Indonesians.

Carlos Gil: Is the FRETILIN experiencing great difficulties?

Rogério Lobato: We are having difficulties, certainly. I would not say that they are completely overcome. We began the struggle with thousands of weapons captured from the Portuguese colonial army. We had thousands of armed men at the time of the invasion.

Carlos Gil: Were there heavy weapons?

Rogério Lobato: There were some, but those we had were very ancient. Some 75-millimeter guns the Portuguese brought to East Timor, but they had dumped the ammunition in the sea long before 25 April, worried about what might happen one day. Even before that date they wanted to send us back to Portugal, but some military units protested, because we knew the Indonesians were on the other side of the border. Governor Lemos Pires, when he fled from East Timor, allowed 600 G-3 machine guns to remain behind, but he gave orders that the breeches should be hidden. I remember that on the day we proclaimed independence, 28 November 1975, the battalion which marched in the official ceremonies did so with guns lacking breeches.

Carlos Gil: We know that the struggle in East Timor is difficult because there is no rear guard.

Rogério Lobato: There is in fact the problem of supplying our forces, but we believe that the best system of transporting munitions and weapons to the FRETILIN is the Indonesian army. The United States, France, the FRG and England manufacture weapons, Indonesia brings them to East Timor, and the FRETILIN captures them. To turn to the new aspect of the struggle in East Timor, if we were to analyze the war theories of great thinkers, we will see that completely new experiences are occurring in East Timor. Look at the military writings of Mao Zedong. Some things do not apply to East Timor, where the conditions are different from those in China. For example, in the war between Japan and China, one of the tactics used was retreat. China is a vast territory, and it is possible to retreat as far as Tibet, and there is a great potential for maneuvering against the invader or occupant, for deploying forces and attacking the enemy from the rear or the flank.

Carlos Gil: Retreat in East Timor means backing into the sea.

Rogério Lobato: Well, if the enemy attacks us in the mountains in East Timor, we often go to the beaches, or vice versa. The secret of war in East Timor lies in this mobility within very limited territorial space. It is for this reason that we are recording new experiences. An analysis of the experience of Cuba, also an island, also shows differences. Cuba achieved a rather substantial level of industrialization and the production forces were very different from those in East Timor when the armed struggle began. We did not even have anyone who could fly a plane. In Cuba, there were Cuban pilots to do this. We had no sailors. In 500 years of colonialism, the Portuguese did not train one of us as a sailor, a pilot or a physician. This is the specific situation which must be analyzed in order to understand the struggle in East Timor. Faced with these difficulties, the resistance for 5 years of the Mauber people, led by the FRETILIN, represents a victory. Timor is an island without a rear guard, and we are surrounded by countries with reactionary governments. It is under these difficulties that we developed our creativity. If we are asked where the weapons come from, we will say that the majority come from the Indonesians. Some are won in combat, others are traded for our coffee, with the corrupting of Indonesian soldiers and officers. This is no secret to anyone.

Carlos Gil: Has Indonesia increased its occupation forces recently?

Rogério Lobato: Currently there are thousands of Indonesian soldiers in East Timor. We have reports that they want to reinforce their ranks in December with another 20 to 30,000 soldiers in order to put an end, they hope, to the FRETILIN guerrilla fighters. Clearly the new offensive represents a threat, but if in 5 years they have not succeeded in defeating the FRETILIN, they are not going to do so now.

Carlos Gil: There has been yet another debate in the United Nations on the East Timor question. What is the position of the Central Committee of the FRETILIN in the diplomatic struggle it has undertaken?

Rogério Lobato: We must develop parallel struggles on the military and diplomatic levels. When there are great military victories, there are great diplomatic victories as well. At this moment we are seeing a number of imperialist maneuvers on the diplomatic level, and the most dangerous is the desire to hold a referendum in East Timor. Unfortunately this imperialist position is defended by the Sa Carneiro government. Our position on this matter is rejection of a referendum in East Timor. The Central Committee of the FRETILIN, when it proclaimed independence on 28 November 1975, interpreted the desires of the Mauber people and at this time we are fighting as an independent but occupied country, which has been attacked and which has had its sovereignty and territorial integrity threatened by a foreign power. When the Portuguese government speaks of a referendum, it ignores the situation in East Timor, the tremendous sacrifices and privations our people have agreed to and tolerated throughout these 5 years of heroic resistance and national liberation struggle. The most proper and just position, which the Portuguese government should have adopted, was to: I. Recognize the FRETILIN as the legitimate representative of the people of East Timor; II. Recognize the Democratic Republic of East Timor; III. Demand the withdrawal

of all the Indonesian forces of aggression from East Timor and condemn the Indonesian invasion in harsh terms; and IV. Contribute on the diplomatic level to the international recognition of the FRETILIN and the RDTL [Democratic Republic of East Timor]. If the Portuguese government were to adopt this position, it would create conditions for the establishment of an atmosphere of good relations with the RDTL in the future.

Carlos Gil: But the Portuguese government does not regard the FRETILIN as the sole representative of the people of East Timor, and in its recent plans for East Timor it calls for "hearing all the movements representative of the people of East Timor."

Rogério Lobato: Obviously it is unaware and has even created some puppet movements, seeking to place on a level of equality with the FRETILIN movements which represent nothing but themselves. Basically, the so-called UDT is now defunct, as is the APODETI. What they called the UDT in Portugal is not that, because the UDT which developed in East Timor made a public statement of its support of Indonesia in 1975 and its president is currently the puppet vice governor of the Indonesians in Dili. There are some individuals who do not want to accept the facts. They yearn for the past, are proud and arrogant. The head of the so-called UDT in Portugal is Moises Amaral, an individual who during the colonial period was an agent of the former PIDE/DGS [Police for the Control of Foreigners and Defense of the State/Directorate General for Security] in what was formerly Porto Amelia, in Mozambique. If we analyze the other movement, the National Movement for the Liberation of Timor (MONALIT), the people involved are not serious either. One of its two most outstanding leaders, Jacob Xavier, has a police record for illegal trafficking in diamonds in Angola, where he was in prison for 2 years. The so-called UDT in Portugal is an extension of the CDS [Social Democratic Center Party]. The MONALIT is a creation of the PSD [Social Democratic Party], or at least of one of its leaders. Are these the factions which want to direct our people? It is impossible, and an insult to our people. In addition to all of this, they are not even nationalists. The so-called UDT in Portugal believes that the Indonesian occupation is a fact. Not even Portugal recognizes it. The MONALIT says that it is a Portuguese movement. After all, how can they defend the interests of the people of Timor?

Carlos Gil: What is the position with regard to the speech to the United Nations by Freitas do Amaral?

Rogério Lobato: We believe that it is important for Portugal to assume its historic and moral responsibilities, but intentions are not enough. When Portugal says it is assuming its responsibilities and establishes contact with Indonesia without consulting the FRETILIN, it is engaging in demagogy. We are watchful and vigilant of the maneuvers of the Portuguese government. Moreover, we do not believe in the good intentions or the good faith of the Portuguese government, because in practice it reveals the opposite. It contacts the Indonesians without consulting the FRETILIN, it says it wants to negotiate with Indonesia, with or without the FRETILIN, it wants to place the FRETILIN on a plane of equality with other movements which are not even in the struggle but are living comfortably at the expense of the refugee commission in Portugal.

The mysterious mission entrusted to Moraes e Silva in East Timor by the reactionary government of Sa Carneiro bears witness once again to the demagoguery, the hypocrisy and the lack of seriousness on the part of the AD [Democratic Alliance] government. The FRETILIN will respond to the maneuvers of Portuguese colonialism and imperialism by intensifying the armed struggle in East Timor and in Indonesia. If necessary, we will fight another 20 years, in the certainty that the solution to the East Timor problem will always be imposed by the force of the armed struggle headed by the Central Committee of the FRETILIN.

Carlos Gil: The Portuguese plan for East Timor further calls for a series of measures of humanitarian support, calling for the repatriation and return of the citizens of Timor.

Rogério Lobato: We do not need acts of charity from Portugal. The problem is above all political. As to the humanitarian question, the steps Portugal wants to take in this sector will basically only serve to favor the Indonesian plan. Portugal says it wants to reunite families from Timor. This is an old Indonesian plan which is designed to get all of its citizens out of East Timor in order then to repopulate it with people from other Indonesian islands. There is an Indonesian plan for the forced migration of 300,000 people from the islands of Bali and Java to East Timor. The purpose of this plan is the forced repopulation of our country, and it is designed to alter the demographic situation in favor of Indonesia. This plan is sinister and macabre because it seeks to annihilate the cultural and national identity of our people and remove the base of support for the armed resistance and national liberation struggle.

Carlos Gil: Has this already been done by the Indonesians on other islands?

Rogério Lobato: It is true that it has. The Indonesians plan to take hundreds of thousands of Javanese to Papua New Guinea, and also to the Moluccas, Borneo, Celebes, Sumatra and Flores. Portugal plans to aid Indonesia in recolonizing East Timor. These are the good intentions of the Portuguese government. We do not ask Portugal to send weapons or troops to East Timor. It would be unrealistic for us to think in these terms. We only want political support from Portugal. I reiterate that the Central Committee of the FRETILIN does not believe in the good intentions or the good faith of the Portuguese government. If there are people who do, this is an isolated and opportunistic position adopted against the interests of our people.

Carlos Gil: How do you view the role of other earlier governments?

Rogério Lobato: It was a role of total complicity with the American imperialists. We know that the government of the United States exerted pressure on the Portuguese government at that time to prevent it from moving forward in any way in regard to East Timor. General Costa Gomes was president of the republic. The FRETILIN, on the contrary, has always had very serious intentions of negotiating with Portugal, but unfortunately nothing was ventured by Costa Gomes. Ironically, General Costa Gomes is today a member of the World Council of Peace, while at that time he did not want to contribute to peace in East Timor. What is the peace which he defends, after all? I would like to note further that there have been large demonstrations of solidarity with the struggles of other peoples in

Portugal throughout these 5 years. Last year there was a campaign of solidarity with the struggle of the Palestinian people. We support the struggle of the Palestinian people, but we find it very strange that, since our people were directly colonized by the Portuguese, there has never been the slightest attention paid by the Portuguese antifascists or internationalists.

Carlos Gil: The president of the republic, General Ramalho Eanes, met with the highest leader of the Palestinian people, Yasser Arafat, last year, during this solidarity campaign. The PLO was given the reception of a chief of state in Portugal. Has Ramalho Eanes ever welcomed a member of the FRETILIN or a minister of the Democratic Republic of East Timor?

Rogério Lobato: To date, the president of the republic has never welcomed any of us, and this is because he himself deemed it untimely. We would like to know when it will be timely. After East Timor is liberated? At this juncture, the president would even like to establish a Portuguese embassy in the RDTL. It is interesting that the president was so sensitive to the Palestinian problem, that of a people who have nothing to do with Portugal historically. I think this was an attitude which developed out of the interest in relations with Arab countries because of the oil market. But we should have been welcomed first. It would appear that the cart has been put before the horse.

Carlos Gil: What are the prospects in the struggle the FRETILIN is waging against the Indonesian invaders?

Rogério Lobato: It is in the 1980s that we will free East Timor from the Indonesian yoke. It is not only the FRETILIN which is fighting against the Indonesian generals at this time. Within Indonesia itself we are witnessing armed uprisings in Sumatra and in Papua New Guinea, where the National Liberation Front of Aceh-Sumatra and the Organisasi Papua Merdeka (OPM) also exist. In July of this year, when the FRETILIN attacked Dili, the OPM forces simultaneously attacked Jayapura, the capital of Papua New Guinea, where an Indonesian colonel and seven lower-ranking officers were captured. In that same month, the OPM forces annihilated 2 Indonesian platoons near the Mamberamo River, taking 60 prisoners. The FRETILIN is now coordinating its war efforts with those of these movements. Our struggle has ceased to be only a struggle within East Timor, and has become one within Indonesia itself as well. Ours is a common struggle, because we have a common enemy--the bloody and fascist Suharto regime.

Carlos Gil: Will this common struggle have a common direction?

Rogério Lobato: Today a process which is unknown to many people exists on the various Indonesian islands. We have been contacted by the armed opposition in Indonesia so that we can coordinate our war efforts against Suharto. We drafted an agreement for the creation of a joint general staff for the anti-Suharto forces, and such a general staff has already recently been established in South-east Asia.

Carlos Gil: The situation in Indonesia does not seem to be very favorable to Suharto, since there are contradictions among the generals.

Rogério Lobato: Yes. The situation is good for the struggle against Suharto. General Ali Moertopo does not exclude the possibility of civil war in Indonesia if Suharto is not elected in 1982. The contradictions among the Indonesian generals benefit our struggle, which will cover all of Indonesia. If Indonesia wants to integrate us by force, we have no alternative but to disintegrate it, also by force. Suharto will not succeed in controlling his archipelago of 13,700 islands with his old vessels and scrap iron from World War II. The FRETILIN and all the movements waging the struggle in Sumatra, Borneo, Celebes, the Moluccas, Flores, Java and Papua New Guinea will determine what the fate of this bloody fascist called Suharto, the shah of Southeast Asia, will be. The future is bright and belongs by right to the people of the Democratic Republic of East Timor and the East Indies. Time will tell who was right.

Morais da Silva Visits

Lisbon EXPRESSO REVISTA in Portuguese 15 Nov 80 pp 1R-2R

[Article by Augusto de Carvalho: "Timor Community, Apprehensive, Wonders About the 'Mysterious' Visit"]

[Text] "Colonel Moraes da Silva, please excuse the inconvenience. We here at EXPRESSO have sought you out to obtain exact information about your trip to Timor. Can you tell us something?"

This was the nature of the short telephone conversation we had with Air Force Colonel Moraes da Silva at 1500 hours on Wednesday, before the UN vote on the East Timor issue was known.

[Answer] I can tell you nothing.

[Question] Why not?

[Answer] A very serious matter is involved.

[Question] But couldn't you meet me for an informal talk so we could exchange some impressions?

[Answer] Impossible.

[Question] Can you give me at least the exact date of your trip?

[Answer] As to that, you must consult the TAP [Portuguese Airlines] lists.

[Question] The fact is we will have a report this week and we have some information on your trip which we would like if possible to confirm.

[Answer] I have already said that a very serious matter, with grave implications, is involved, and therefore I cannot discuss it at all.

Enlightening Mystery

After this talk, which moreover was cordial, we felt certain that the terms "mysterious" and "secret," used about this trip, were fully applicable.

Mysterious because almost no one knew about it, mysterious because every means was used to envelop it with secrecy and mystery. To judge from the letters from many citizens of Timor who, breaking through the close network of Indonesian vigilance, succeeded in reaching Portugal as free men, "apparently a Portuguese named Morais da Silva made a trip there." But all this mystery in the end provided some clues for its clarification: everything suggested that it came within the framework of Portuguese diplomatic contacts with Indonesia, in the hands of a Portuguese citizen with prestige in that zone. And not only that. One who enjoys the profound sympathies of the local authorities and who supports Timor, to the exact extent that East Timor incorporated in his personality Portuguese components which gave him his own characteristic aspect, and who even points to his Timor origin. At least this is what Morais da Silva told EXPRESSO, precisely on 30 July 1976, when he was a general and chief of the air force general staff. This was during an informal talk after the trip which took him to the Orient to effect the liberation of 23 Portuguese citizens held as hostages by Indonesia.

What we wrote at that time as a result of this conversation may cast some light on the nature of the trip and the internal aspects of Portuguese diplomacy in the case under study, enabling us to detect its directions in this complicated international political meandering in which there are conflicting hegemonies, with a new element now provided by the election of Ronald Reagan.

We wrote then: "We also obtained from Morais da Silva and other Portuguese political circles the impression that the integration of Timor in Indonesia is an irreversible fact and that Portugal can do nothing, in terms of efficiency, to prevent it." And again: "In any case, the path of Timor seems irreversible, and Portugal will have to save what can be saved in terms of political realism. What we succeeded in establishing is just this, which remains to be done. And this, basically, was the information gathered by Morais da Silva." Morais da Silva who completed his secondary studies in Timor, where he left many friends.

The air force general then worked to save what could be saved (for which read the survival of the Portuguese culture in that zone) and he regarded integration in Indonesia as inevitable, reasoning, according to what he said, from a realistic point of view, on the basis of a study of the forces in play. And he will have made his report to the Ministry of Foreign Affairs along these lines, also based on elements gathered from Indonesian military sources, although not exclusively.

Support

If indeed there have been no substantial changes in the balance of forces sector, the cause of East Timor has succeeded in mobilizing considerable support since 1976 in the diplomatic sector, calling attention to the brutal and expansionist aggression.

It is this support which has culminated now in the United Nations vote approving the resolution asserting the right of East Timor to self-determination. There were 58 votes in favor, 35 against and 46 abstentions. The resolution said that "the people of East Timor must be able freely to determine their own future, under the auspices of the United Nations." Thus the Indonesian claim, to the effect that East Timor has been an integral part of its territory since 1976 "by the express will of the local population," was not recognized. The Indonesian delegate, Sumaryo Suryokusumo, rejected the resolution. Indonesia will continue the struggle on the diplomatic and practical level.

The genocide which Indonesia has been perpetrating in East Timor since that time, attempting to reduce the voice of a people to silence by force, is beginning despite everything to become known in the international arena.

Meanwhile, although the positive action pursued by our diplomats at the United Nations should be stressed, the people of Timor fear that other actions are being planned so that the annexation by Indonesia will become little by little an accepted fact, being forgotten in the end or still worse being sanctioned by the international community.

The Purpose of the Trip

According to representatives from Timor with whom we talked, Colonel Morais da Silva's trip may come precisely within the context of this complex of operations, which will develop in the near future in favor of Indonesia.

Morais da Silva went to that region, according to our information, and according to his own statements in talks with friends, "at the invitation of a friend in Indonesia." Who this person is is not publicly known, but through information we were able to gather we are led to believe that he is closely linked with the government, above all that group of generals already known to Morais da Silva in 1976. Thus he was royally welcomed in Djakarta "like a prince" (he was accompanied by his wife) they told us.

His wife was even the guest in Indonesia in the home of an officer, now a general and at that time a colonel, who commanded the attack operations in East Timor in 1976, remaining on duty there until 1977. He is a general currently serving in the region including Flores and Timor.

It was in the company of this general precisely that Morais da Silva paid a visit to the invaded zone, leaving his wife at his home, since there were other individuals interested in going to Timor as well, and to this end she surrendered her seat to a member of the delegation.

In Dili, Morais da Silva was officially welcomed by the head of Indonesian intelligence, Colonel Sinaga, who is the strongman of the invading power, a man who according to eyewitnesses who talked with us and the testimony of refugees ✓ massacred the people in Timor and documented various executions in his account. He is, from all points of view, the military strongman of Indonesia in that occupied territory. He was also welcomed by Guilherme Maria Concalves, the Indonesian governor, once a powerful member of the Apodetti, the party which

advocated integration even prior to the invasion. Sinaga and Guilherme Maria Goncalves accompanied Morais da Silva throughout the day and a half of guided tours he made in East Timor. Morais da Silva flew over a part of the territory to observe military operations in the field, which he could do with relative ease, given their technical simplicity. He also went to the Maliana zone, where Indonesia is trying to carry out a pilot project in the farm sector. In fact, Indonesia is concerned currently with developing the educational and agricultural sectors above all, as a means of winning popular sympathy.

According to our reports, Morais da Silva had yet another meeting with a group of Portuguese still living there, a meeting of a humanitarian nature, in this case.

On the basis of this information, it is legitimate to ask what kind of report Morais da Silva may have given the Portuguese government, in view of the sources on which at this point he can rely. It was this question which individuals in the Timor community wanted to make public through EXPRESSO, which now has a more detailed account of the trip made by this prestigious air force officer. Morais da Silva is reported to have said in talks with citizens of Timor that despite a collective sadness to be seen in the people, they are living rather better today than before 25 April, and that this fact is due to integration in Indonesia.

However, the general impressions of Morais da Silva are not at all consistent, we are told by the majority of individuals in the Timor community in Lisbon, with "the letters reaching us secretly, letters which come to us via even Indonesian military personnel themselves, and they are also inconsistent with the most recent reports of the refugees."

In fact, an average of 100 refugees a month are arriving, effecting their escape as they can, bribing the Indonesian authorities with sizeable sums. They begin by paying \$500, more or less, to the officers in East Timor, to obtain free passage to Djakarta, and there, with \$1,000 or more in addition, they manage to resolve their problems.

In this connection, some citizens of Timor told us that "we do not doubt the honesty of Morais da Silva, whose conduct at various times we have valued, to the point that we awarded him a decoration only given to great friends, but we have the right to ask what value there is in his views, with a certain tendency to defend integration as the only viable solution, given the forces in play, based only on the persons to whom he listened and who accompanied him."

However, as we said at the beginning, it was not possible for EXPRESSO to talk with Morais da Silva. Naturally, after what we have written in these pages, the illustrious air force officer felt obliged to respond. We told him on the telephone that he could do so even "after the fact." In any case there is an impression, with a certain justification, that Morais da Silva can through his Indonesian friends influence the future actions of the Portuguese executive branch. The United Nations vote, if indeed it was important, may be but a brief episode in the interplay of international expediencies operating in that area, in which Portugal has historic responsibilities.

SITUATION IN OIL CITIES OF DUMAI, CEPU DESCRIBED

Jakarta TEMPO in Indonesian 20 Dec 80 pp 43-44

[Article: "Dumai and Cepu, Sources of Oil"]

[Text] Dumai, an oil city in Riau, is developing quickly. However, the gap between the oil workers and the local residents is also rather wide. There is also Cepu, the oldest oil city in Central Java, which is now being turned into an educational center. It is dirty and run down.

Dumai, an oil city on the shores of Rupa Straits (Riau), is developing quickly. Originally, it was only a poor and quiet fishing village, inhabited by less than 500 people. Now it is a city with very good facilities. All of that is due to a flow of oil of more than 800,000 barrels per day from the fields of P T Caltex Pacific Indonesia (CPI) in Riau, which has been in operation for 30 years.

Dumai became important in 1958 when Caltex began to produce oil at Minas (30 km from Pekanbaru) and Duri (110 km from Pekanbaru). To expand its oil business, Caltex built a network of roads from these oil fields to Dumai as a center for transportation and as an oil pipeline distribution point. Later on a harbor for the tanker armadas was also built at Dumai.

This activity awoke Dumai from its sleep. Large numbers of people work there. In a period of only 4 years, since the road was completed and the harbor was ready, the population of Dumai has increased by 60 times. Homes, markets and shopping centers have emerged on several corners. Its status quickly became that of a city that was the headquarters of a subdistrict, and last year it was officially designated as an incorporated city.

About 10 years ago Dumai further increased its standing when Pertamina opened the Putri Tujuh [Seven Daughters] oil refinery there. The total number of people living there had swollen to 80,000. After Pertamina designated it as Working Region II [Wilayah Kerja II], Dumai also became the second largest city in the province after Pekanbaru, which is the provincial capital. About 6 km outside Dumai Pertamina has built Pinang Kampai airfield, which can take F-28 transport aircraft.

Ocean Harbor

Dumai, which occupies an area of 5 square kilometers, appears to have an increasingly open future, especially after agreement was reached with the provincial government

authorities in Pekanbaru to construct a 178 km oil road to Dumai. "This will begin next year. The road will be paved with cement and asphalt," says the mayor of Dumai, Wan Dahlan. Connecting roads to several areas in Riau will also be built, including the Siak River bridge, 350 m in length. The bridge will cost more than Rp 1.2 billion and will be the first road across the width of Sumatra, connecting Dumai on the east coast with Pandang on the west coast.

The future prospects are pushing the provincial government of Riau to move the capital of the Regency of Bengkalis to Dumai. Without waiting any further a number of office buildings of a permanent kind will immediately be constructed. The Ministry of Communications does not want to be left behind and has designated Dumai as an ocean harbor. Piers and warehouses are being constructed. Indeed, Ocean Communications Regional Office II for Riau and West Sumatra will be located in Dumai.

Slowing Down

However, the dream suddenly disappeared in 1974 when Pertamina activity slowed down. A number of construction projects were stopped, thousands of workers were thrown out of work, and even the population declined to 65,000 people. The roads which were not yet completed are now dusty in the dry season and muddy in the rains. The dream of obtaining a supply of clean water also disappeared. The only source of clean water is a water storage tank belonging to Pertamina, with a capacity of 100 m³.

However, those who have an opportunity to enjoy the blessings of oil, in a direct way, are few in number. The mining sector in Riau only absorbs 70,000 workers, or 5 percent of the total population of 1.8 million people.

Nevertheless, it cannot be denied that there is a kind of gulf between the oil workers and the rest of the population. The lowest income of Caltex workers is Rs 148,000 per month. This gulf appears clearly in the Pekanbaru markets on Saturday and Sunday. On those days the wives of Caltex employees, who live in the housing complex at Minas or Rumbai, get out of their buses and flood the market. Then the price of fish, which is usually Rp 700 per kilo, leaps to Rp 1,500 per kilo, while vegetables or textiles increase by 30 to 40 percent. And all of the goods on sale appear still fresh and new, as if they were prepared for the Caltex families.

Cepu

Another oil city which is also rather well-known is Cepu, which is really a sub-district of the Regency of Blora (Central Java), on the border with East Java. It began in 1890 when a Dutch company found oil in Ngareng village in Cepu. In the course of its development up to now Cepu has become the Training Center for the Oil and Gas Industry. In 1967 there was also established the Oil and Gas Academy.

The choice of Cepu as the Training Center for the Oil and Gas Industry and the Oil and Gas Academy was perhaps the result of the fact that it was there that the first drilling for oil was carried out. Old oil wells are now used for demonstration purposes for the hundreds of government-sponsored university students who come from all parts of Indonesia. The wells still produce, but their production is very

small. Now, for example, of the 235 wells in the Ledok oil field, 11 km Northwest of Cepu, only 15 wells are producing. The wells have been producing since 1893.

Cepu as a city has a larger population compared to Blora, the capital of the regency. Some 25,000 people live there; only a few of them are supported by the oil industry. About 60 percent of the population is composed of farmers, with the remainder composed of manual workers, government employees and merchants. Among the latter, about 200 heads of families are of "nonindigenous" origin (about 10 percent of them are foreign nationals).

Unfortunately, this oil city is dirty. Trash and horse droppings are scattered around the streets. Grass is allowed to grow anywhere. Trishaws and oxcarts are allowed to park anywhere, so that the streets are often choked. However, there is a facility of the Oil and Gas Foundation [LEMIGAS] which can be used by some of the people of Cepu, the drinking water installation. "However, only one-third of the people can use this drinking water," said the subdistrict chief of Cepu, Mohammed Hussein.

Other facilities which can also be used by the public are the swimming pool, the golf course, the soccer field and the tennis court. However, all of this is only for the upper levels of the community. As is the case with the housing complex for other oil workers, the complex of the Oil and Gas Academy at Mentul is well known and stands by itself.

5170

CSO: 8127

CHAMPASSAK GUERRILLAS FIGHT TERRORISM FROM THAILAND

Growth of Units Noted

Vientiane SIANG PASASON in Lao 22 Dec 80 p 2

[Article by Champassak correspondent: "Non Khoun, A Solid Outpost"]

[Text] Because it is one of the strategic areas of the southern border of our country, since the founding of the LPDR Non Khoun Canton, Phon Thon District, Champassak Province, which has a 20-kilometer long border with Thailand, has become a stronghold in the fight against sabotage and destruction by the American imperialists and exiled reactionaries. [These people] stubbornly spew forth bandit soldiers and reactionary criminals to join with their henchmen from the days of the old regime who are still hiding out among the people to carry out disturbances, murders and threats against the new authorities. They pillage the people's property and have created insecurity throughout the canton as well as nearby areas such as Veun Sai, Sak Meuang, Dong Ghang and Dou cantons. However, at the same time, they have suffered painful defeats due to the efforts of the people who have desired independence for a long time. They have joined with the mobile village guerrilla forces who are very strong in this canton.

As that canton's guerrilla chief pointed out to me, by implementing the party's correct, creative revolutionary line, and a fighting, courageous, militant and unyielding solidarity that dares to think, dares to act, both working and studying to implement all plans of the party, state and administrative authority. Our armed guerrilla units, from the time they were newly established to the time when they became large, at all times have been faithful to the party and to the revolutionary tasks to the utmost. At all times they have a high sense of awareness, firmly grasping weapons in hand night and day. They have overcome all difficulties and shortages with diligence and initiative, mobilizing themselves to fulfill all duties in defending their locality, to preserve the new life of the new regime.

When first established, we had only a few overt guerrilla units. Others were covert, hiding in each village with only three guns. As of the beginning of 1979, we had widely expanded our guerrilla units and armed them with dozens of weapons which included mortars, firepower [kanlangfai] and others. Aside from training in combat strategy and tactics, studying political theory and boosting production, over the last 5 years the guerrilla units of each village have emulated to achieve step-by-step victories. During that time, they have been active in stopping the

ideology of the robbers, criminals and exiled reactionaries on dozens of occasions. They have killed 43 of them, 2 surrendered, and they seized 12 weapons. They hit and stopped them from stealing cattle and buffalo and recaptured those animals stolen by the reactionary exiles and returned 331 animals to the people. They also joined with the border defense forces to kill the robbers and protect public security on dozens of occasions.

All of this not only does a good job of defending public security, but it also allows them the right of being masters of the nation, and collective mastery in preserving, defending and building the people's new regime, making it grow bigger and stronger, purer and cleaner.

Along with that, all of Non Khoun Canton, today as in the future has become a garden of the new socialist man, the working people who have a spirit of being masters of the nation, of collective master, who know patriotism, and love the socialist regime with a revolutionary aggressive spirit, who never back away from difficulties and want to respect and preserve the collective property, and respect the laws of the state. They have a spirit of great love, solidarity, and mutual assistance between working people in order to build new lives. They know enough to combine the common good with their individual interest. They know how to make happy families with a total sense of responsibility in looking after and raising their children.

Non Khoun Canton is now a firm outpost of Champassak Province. It is now reinforcing and expanding its strong points in its national defense tasks and public security work and in the work of building its locality into a more progressive, stronger one.

Thai-based Insurgency Noted

Vientiane SIANG PASASON in Lao 24 Dec 80 pp 2,3

[Article in "Good Subject, Better Person" Column by B. Vatthananon: "Uncle Pian Phanphila, Brave of Heart"]

[Excerpt] Pho Kham Canton, Phon Thong District, in Champassak Province is one of the cantons along the Thai border, not very far away at all from the enemies who regularly carry out acts of disturbance and insecurity. Although our country has been completely liberated, the counter-revolutionaries have not abandoned their schemes and wicked tricks. They are coming over to cause trouble and sabotage our new regime in many ways in order to put pressure on us and prevent us from building and developing our nation as we want.

To stop and wipe out these counter-revolutionaries, the district and provincial administrative authorities have promptly upgraded and built bases and organized a guerrilla network within this canton.

Uncle Pian Phanphila is one person who became conscious and volunteered, along with his family, to take part in the public security work within his canton. Although he is elderly--46 years old--his spirit is still strong, filled with patriotism and a love of the new regime. This is what drew him to his responsible duty as one of

the committee members of the Pho Kham Canton guerrilla platoon. Four or five years ago, since the unit was armed as a guerrilla unit, he has brilliantly fulfilled his duties, making the multi-ethnic population in the canton dearly love and trust him. Wherever and whenever the enemy comes to operate, the people come to inform him promptly, making the enemy give up in defeat and death to return to Thailand dispiritedly. Recently, he has been in large-scale combat four times. He killed four enemy and has been in many small-scale actions. Primarily, in October of 1979, his guerrilla platoon was surrounded by the enemy. Although on the brink of defeat, his guerrilla unit was not demoralized and brought to bear strategy and tactics skillfully, making the enemy flee in disarray. His troops pursued them, wiping them out of the canton. In this pursuit, they came under heavy enemy fire, with less than 20 meters between them and the enemy. He fired to stop them and ordered his own son to wipe out the enemy, but the enemy shot him first. His precious son lay bathed in blood as Uncle Pian snatched up a gun and took after the enemy and then took up his son in his arms. When he could no longer bear to look at his son's condition, he spoke to him before he died: "You have died with the glory befitting a Lao youth and a child of your father." The youth simply turned his head and died. The tears and blood of hatred welled up. Uncle Pian rose up and grabbed his weapon solidly and blasted the enemy, chasing them until he cornered them, holding down the enemy guns with his feet and then slaughtering them.

Although he has lost his beloved son, he is not sorry and is not faint-hearted in his task. He has a spirit of hatred for the enemy and will sacrifice everything for the collective good. He is determined to take part in public security work in his canton unflinchingly. No matter where or under what weather conditions or time of day, when he learns that the enemy is active, he and his guerrilla unit goes right out to stop them and pursue them.

CSO: 4206

BRIEFS

VAPI DISTRICT STATISTICS--This district [in Saravane Province] comprises three cantons: Houai Khon, Saphat and Samia. It has a total of 58 villages and a population of 18,970 people which include two nationalities: Lao Theung and Lao Loum. Its economic base is mainly the production of rice. [Excerpt] [Vientiane SIANG PASASON in Lao 12 Dec 80 p 2]

SANAKHAM RICE SALES--Since the beginning of December, the Vientiane Trade Corporation has sent trade cadres to Sanakham District, Vientiane Province to join with the administrative authorities in the localities to purchase rice from the people living in the production bases throughout the district. This has been done with a spirit of urgency and diligence. In making the purchases from the people, they set up 10 mobile purchasing units, each of which took various types of goods such as kerosene, bicycles, cloth, corrugated metal roofing, salt, blankets and household goods with them to sell to and barter with the multi-ethnic population in each locality. In attentively performing their duties, to date they have been able to purchase more than 200 tons of rice from the people in the various localities of Sanakham District. Of that the movement to sell rice to the state obtained much rice in Nam Kouan, Na Sak, Na Phieng and Sanakham cantons. The people in each locality were proud and happy to take part in selling their surplus rice to the state to form the capital to build and develop the nation so that it would steadily grow stronger and more prosperous. [Text] [Vientiane SIANG PASASON in Lao 20 Dec 80 p 1]

NEW COOPERATIVES FORMED--Because they understood clearly the party and state directives in building the economy that would preserve, defend and build socialism in our country at the present time, making it prosperous and strong, in 1980, the multi-ethnic population in Luang Prabang Province has voluntarily turned from small-scale, scattered production to collective production in accordance with the directive of large-scale socialist production. They organized 74 agricultural cooperatives with 17,086 members, 2,620 hectares of wet-rice fields, 1,816 draft animals and a complete set of production implements. The best performance was from Nan District which was able to set up 23 agricultural cooperatives. [Excerpt] [Vientiane KHIAOSAN PATHET LAO in Lao 16 Dec 80 p A 8]

THAKHEK TAX COLLECTIONS--After completely collecting and storing their annual wet-rice crop, recently the farmers in Na Se, Ban Tham, Dong Tai, Sikhot, Chomthong and Na Ngeo cantons in Thakhek district, Khammouan Province joined together to pay on their annual crop to the state based on their harvest income. They paid with pride. Of the total involving more than 140 tons of rice paid, Dong Tai Canton paid nearly 55 tons of rice to the state. [Excerpts] [Vientiane KHAOSAN PATHET LAO in Lao 16 Dec 80 pp A 9, 10]

SARAVANE RICE SALES--Since the beginning of October, the multi-ethnic population of Tounlan and Khong Sedone Districts in Saravane Province have voluntarily brought in their families' excess rice for sale to the state at the set price. They did this happily. The total amount involved was more than 180 tons. Of that, the people of Khong Sedone District sold nearly 171 tons of rice to the state. Selling rice to the state not only brings more income to the family, but also makes a contribution to building capital for the state to use in its task of preserving, defending and building socialism in our country, becoming prosperous and strong. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 17 Dec 80 p A 6]

TAX PAYMENTS, SALES TO STATE--According to news reports from the Ministry of Industry and Trade, since the middle of November to the beginning of December, the multi-ethnic farmers of all races in the production bases in the localities of various provinces throughout the nation have strengthened and expanded their rights as masters of the nation and rights to collective mastery along with a high sense of decisiveness to take part in paying agricultural taxes and selling excess rice to the state in a wide-spread and joyous movement. According to still incomplete figures that have been reported from nine provinces, to date some 5,080 tons of rice have been purchased from the people, of which 5,000 is unhusked rice. The movement to pay the state agricultural tax has yielded 1,846 tons. In the movement to sell rice to the state, the best performance was turned in by Attapeu, Savannakhet, Vientiane and Sayaboury provinces. At present, the sales of rice to the state and the payment of agricultural taxes by the farmers in each locality are coming along in a spirit of fun and vigor. It is felt to be a great contribution by Lao farmers to use rice in building and developing the nation to become bigger and stronger step-by-step [Text] [SIANG PASASON in Lao 24 Dec 80 p 1]

CSO: 4206

ISLAMIZATION OF COMMERCIAL BANKS DESCRIBED

Islamabad THE MUSLIM in English 30 Dec 80 pp 4,7

[Article by Abdul Jabbar Khan, president, Habib Bank Limited]

[Text]

IN VIEW of the clear and unequivocal commandments of the Holy Quran on the subject, the elimination of 'riba' is the bounden duty of an Islamic State. The Constitution of Pakistan 1973 in its Article 227 provides that all existing laws shall be brought in conformity with the injunctions of Islam as laid down in the Holy Quran and Sunnah. There is complete unanimity among all schools of religious thought that the term 'riba' covers interest in all its manifestations. It is unfortunate that during the first three decades of the country's existence as an independent state, no attention was paid to the elimination of 'riba'. The work of finding ways and means to eliminate interest started in right earnest only in the second half of 1977.

Since July, 1979 under a Presidential Order, the working of (1) Mutual Funds floated by Investment Corporation of Pakistan, (2) National Investment Trust and (3) House Building Finance Corporation has been so remodelled that these bodies have totally done away with the element of interest. Investors' scheme of Investment Corporation of Pakistan has also been brought under the interest-free system from 1st October, 1980. Very encouraging is the fact that they are not only free from interest-based investments but their business also is readily growing.

Effective from 1st January, 1981, arrangements have also been made in all the nationalised commercial banks throughout the country to accept deposits on Profit and Loss Sharing basis.

TWO SUGGESTIONS

During discussions held at various forums, on the Islamization of commercial banks, the following two suggestions were made in respect of acceptance of deposits by banks:-

One suggestion was that with effect from the appointed date, depositors be given the following options:-

(a) They may keep their savings with the banks as loans to the latter without sharing the profit and loss of the bank. They can withdraw the money any time they like. The Federal Government would guarantee the safety of their loans with nationalised commercial banks as at present. These loan accounts would be just like present current accounts of banks. It has been stated by persons having knowledge of 'Shariah' that unless such deposits are treated as 'loans', the banks/financial institutions would not be able to use the funds. Or:

(b) They may keep their funds in interest-bearing accounts just as they do now. This option will be available during the interim period of, say, three years. Deposits kept on interest basis during the interim period would continue earning interest till their respective maturity dates, even if the maturity dates fall beyond the interim period. This arrangement during the interim period, is essential to retain confidence of the depositors so that shift to the new system does not adversely affect the resources of the banks. Or:

(c) They may open deposit accounts on profit and loss sharing basis. These accounts may also be of any duration, i.e., they could operate like savings accounts through cheques or they could be for a fixed period like short term or fixed term deposits. As at present, deposits of different maturities will have different weightages for sharing profit and loss. These weightages will be laid down by the State Bank of Pakistan. It was hoped that with the successful operations of the new system more and more accounts would come over to this category even during the interim period.

Supporters of above alternatives felt that if any depositor wanted to shift to the Islamic System, immediately he should be provided with such an opportunity. Besides banks would gain experience in handling such accounts. Such experience would be useful when the banking sector shifts to Islamic system in toto at the end of the interim period.

The other suggestion was that instead of giving the above three options to depositors during the interim period, deposits be allowed to remain under the present system of interest and at the end of the interim period, should be brought under the Islamic system in toto and no fresh deposits be accepted or renewal of the existing ones be made on the basis of interest after that date. Advocates of this alternative argued that assets side of the banks/financial institutions should first be cleaned, so that income from sources other than interest was sufficient enough to be distributed among deposits made

with the banks on profit and loss sharing basis.

The Federal Government ultimately decided to adopt the first view, i.e., depositors have been given the option of keeping their deposits either on Profit & Loss Sharing basis or under the existing interest-bearing system during the interim period.

Information about rules governing the PLS deposits can be obtained from any branch of the five nationalised commercial banks or branches of other banks which are accepting such deposits. Some salient features of PLS deposits are, however, given below for general information:-

(i) Following categories of accounts can be opened in the nationalised commercial banks on profit/loss sharing basis:-

(a) PLS Savings Accounts.

(b) PLS Term Deposit Accounts.

(iii) PLS Saving accounts can be opened by individuals in their own single or joint names. The PLS Savings accounts can also be opened for Provident Fund or other benevolent funds of companies, firms, organisations of Welfare and Educational institutions. These accounts can be opened with a minimum sum of Rs. 100.00. Money can be withdrawn only through cheques from the accounts. To share in the profit, it is also essential to maintain a minimum balance of Rs. 100.00 in the Accounts.

(iii) PLS Term Deposits Accounts with a sum of Rs. 1000.00 or its multiple can be opened by individuals, in their own single names, or joint names. The companies, firms and other organisations may also keep PLS term deposits. PLS term deposits would be for following terms:-

- (a) For six months and over but less than one year.
- (b) For one year and over but less than two years.
- (c) Two years and over but less than three years.
- (d) Three years and over but less than four years.
- (e) Four years and over but less than five years.
- (f) Five years and over.

The Account can be opened with a cash deposit or by converting existing (existing on the day of introduction of the new system, i.e., on 1st January, 1981) interest bearing Term Deposits into PLS Term Deposit Account. Special facility has been provided in the latter case, i.e., the loss otherwise

suffered in encashing premature Term Deposits will not occur in this changeover, provided that PLS Term Deposit is taken for, or more than, the unexpired period of the interest-bearing term deposit being converted.

Besides in the existing interest-based system, the fixed deposits are transferred to a separate overdue fixed deposit account on maturity whereafter the deposit ceases to earn interest. As such, the account holder loses interest on matured fixed deposit unless he obtains renewal. Under the new PLS Term Deposits, more liberal facility is offered. If, under certain circumstances, the depositor

fails to withdraw his/her/their PLS Term Deposits on maturity, the funds will remain temporarily in use for profit sharing and out of profits earned a reasonable share would also accrue to such (overdue) PLS Term Deposits.

The PLS Term Deposit holders may also be allowed at the discretion of the banks, some interest free credit facility against the security of their PLS Term Deposits kept with the bank duly discharged and subject to recovery of a service charge. The amount of credit so allowed to a term depositor shall not qualify for participation in the profit.

(iv) All profit and loss sharing accounts in the banks shall be kept absolutely separate from interest-bearing accounts. Differently designed account opening form, pay-in-slip, term deposit receipts, cheque books etc., will be used for PLS accounts.

Devising a framework of interest-free banking is a challenging assignment. The task is all the more formidable because of the nature of the economy Pakistan inherited from the West and which we have continued to develop on the same pattern. Interest happens to be the main pillar of the economic edifice. The country's internal and foreign transactions and particularly its financial policies and institutions all are geared to this vital principle.

Replacement of the present structure by a more just and equitable system in conformity with the injunctions of Islam demands wholesale changes in every sector of our economy. The task becomes more difficult in view of the fact that we have no precedent before us to follow. We will have to chart our own course.

During discussions on this subject it was soon realised that while there would be no problem in cleaning up-the liabilities' side of

the commercial banks' balance sheets, formidable difficulties would be faced when the assets' side of the bank's balance sheet, i.e., loans and investments, particularly the loans, is brought under the purview of 'Shariah'. Keeping this in view three different options were considered. The first was that a beginning may be made by setting up a model bank which may start operations on interest-free basis and from the experience gained from its working, the operations of the commercial banks and other financial institutions may be reorganised on interest-free basis subsequently. But this option has the following disadvantages:-

DISADVANTAGES

a) Setting up a new institution will take time and still longer time will be taken before it takes any root in the system. The question of gaining from its experience would arise much later.

b) It would be waste of money and experienced hands when both are not available in abundance in the country, particularly when, existing commercial banks can also do the job perhaps in a better way because of larger resources of men and money and wider network of branches at their disposal.

c) If the borrowers have the choice either to borrow money from commercial banks at a fixed rate of interest, or borrow from the new institution on profit and loss sharing, all highly profitable projects would borrow from commercial banks and less profitable and loss-incurring projects would come to the new institution for accommodation. Earmarking of certain field of finance exclusively for the new institution may also not be easy as commercial banks with much larger resources available at their disposal would not be kept away from any field of finance. Examples of already existing specialised institutions like ADP, IDBP, ICP etc., are before us.

d) If a model bank is floated in the midst of competition with added disadvantage of 'lack of precedent', its success, if at all it comes, will take a very long and gradual course. The depositors will be faced with a dilemma 'to bank' or 'not to bank' to the detriment of the model bank.

The second option was to prepare a comprehensive scheme for a complete switch over to the

interest-free economic system and then decide on the timing of such a switch over. This option did not commend itself as the elimination of an institution as deep-seated and pervasive as interest at one stroke at any future date and replacing it by a new system could give rise to a number of intractable problems and adjustment.

The third option was to eliminate interest from the economy under a phased programme. Since this appeared to be most practicable and reasonable, the Council of Islamic Ideology recommended it and the Federal Government decided to follow this course of action. As such, the cleaning up of assets side of the banks would be done in three or more phases. The first phase begins from 1st of Jan., 1981. Effective from this date the deposits received on PLS basis will not be used by the banks in interest-bearing operations. Council of Islamic Ideology, Government of Pakistan, while pointing out that ideal alternatives to interest in an Islamic economic system are Profit and Loss Sharing and Qarz-e-Hana, have also cleared the following devices to replace the fixed interest system in some cases in view of the difficulties in the practical application of system of Profit and Loss Sharing in these cases:-

- i) Time Theory/fractional or Time Multiple Counter-loans.
- ii) Discounting of equity.
- iii) Leasing.
- iv) Hire purchase.
- v) Investment Auctioning.
- vi) Bai Muajjal or Mark up.
- vii) Bai Salam.

However, in the first phase commencing from 1st January, 1981 the banks would make use of the Bai Muajjal, i.e., 'mark up', device to finance all or some of the following:-

- a) Foodgrains and commodity operations of the Federal and Provincial Governments and their organisations.
- b) Documentary export bills negotiated under Export letters of credit.
- c) Documentary inland bills.
- d) Trading operations of the Rice Export Corporation of Pakistan (RECP), Cotton Export Corporation of Pakistan (CECP) and Trading Corporation of Pakistan (TCP) and

e) Documentary Import bills, drawn under Import letters of credit. In addition to the above, banks may also purchase NIT Units, ICP Mutual Funds, Participation Term Certificates and shares of ICP and Bankers Equity Limited out of the funds received by them in PLS deposits. Besides, banks may also provide funds to House Building Finance Corporation and share in latter's income.

(i) Profit received under 'mark up' by the banks on transactions (a to e) mentioned above, (ii) share of profit, if any, on Participation Term Certificates, (iii) Dividends received on NIT Units, ICP Mutual Funds and on shares of ICP and Bankers Equity Limited, and (iv) income received in respect of finances provided to House Building Finance Corporation would be distributed half yearly after deduction of normal bank expenses and making of normal provisions, among the depositors etc., on daily product basis. Share of loan, if any, on Participation Term Certificates purchased out of the PLS deposit funds would, however, be deducted from the profits received from other investments mentioned earlier, before distribution among PLS Depositors.

The Federal Government has agreed that the profits accruing to PLS deposits shall be reckoned as dividend which as per the present Income Tax Rules, is exempted from Income Tax upto Rs. 15,000/- per annum.

It would be of interest to know that discussions by the bankers on Islamisation of banks held with members of Islamic Ideology Council, its Chairman and other learned theologians have been very fruitful. During discussions, 'Shariah' experts showed a deep sense of understanding of the problems and have always endeavoured to find workable solutions thereof by interpreting 'Shariah' in the context of present day social order. This appreciation of modern banking complexities and willingness to do 'ijtihad' should auger well for the Islamisation process of banks. For the sake of smooth and proper shift over to the Islamic banking system, dialogue between bankers and theologians should continue.

Effective from 1st January, 1981 the nationalised commercial banks are also introducing Qarz-e-Hana Scheme for Education. Under this scheme loans may be granted to all nationals of Pakistan including those from Azad Kashmir who are of an age not exceeding 35 years and are desirous of pursuing studies within and outside Pakistan.

The facility will be limited to studies in subjects approved by the Federal Government. The amount of loan for studies in Pakistan will not exceed Rs. 6,000.00 per annum with a maximum of Rs. 25,000.00 for the entire duration of the course. An essential condition in this regard is that access to the loan facility and its continuation shall be subject to satisfactory performance of the student and shall be renewable on year to year basis.

As for studies abroad, no loan will exceed U.S. dollar 5,000.00 per annum. However, if the period of study is more than two years, the total advance for the entire duration of the course will not exceed U.S.\$ 10,000.00. Maximum limit of loan under this scheme for studies outside Pakistan will be foreign exchange quota fixed by the State Bank of Pakistan for such studies less the amount of scholarship etc., if any, granted by the Foreign university/Institution. A grace period of two years will be allowed after the completion of studies. Thereafter repayments will commence in monthly instalments till full repayment is effected within ten years.

In case of a drop-out, unsatisfactory academic performance or breach of any clause of the loan agreement, loan will become repayable immediately. The borrowing student will have to furnish a bond that after the successful completion of the studies for which a loan has been granted to him, he would serve in Pakistan at least till his loan is fully repaid, failing which he would pay penalty equal to twice the amount of the loan outstanding. Of course, after successful completion of the studies for which loan has been granted to him, the borrower would be provided an opportunity to serve in Pakistan.

The dawn of the new calendar year will witness beginning of a new era in the banking history of the country. The

measures proposed towards the implementation of first phase for purifying operations of the commercial banks will mark revolutionary start to the first initiation of Islamisation of the national economy. The process will reinforce the conviction of all those who have sincerely been cherishing attainment of a true and real Islamic order in all facets of national activity. It will also expose boggy of contention raised by vested circles that the intricate and complex character of present-day economic functioning is so well-entrenched that it cannot be re-structured outside the parameters of capitalism and socialism. While it may for the time being be interpreted as the mere fancy of Islamic jurists, there cannot be any shade of doubt about the inherent strength of Islam as the most comprehensive and all-pervasive lasting code of human life which is capable of regulating it in all its hues and colours. What is demanded is unflinching faith in this reservoir of vitality and an unshakable will to conduct affairs of the state under the beacon light of Islam. It is the utmost satisfying that presently there is no lack of this will in the ranks of the nation as well as in the national leadership.

CSO: 4220

INTEREST FREE BANKING DECLARED SHAM

Karachi BUSINESS RECORDER in English 12 Jan 81 p 2

[Editorial: "Where Is the Difference?"]

[Text]

What we were afraid of and the risk on which we had tried to focus attention in an editorial entitled *Asl and Ribha* published on November 22 last year, has unfortunately come to pass. Champagne will still be champagne even if we call it *Shat-e-Kash* and bear will be bear even if it is called *Aab-e-Jee*. And if fixation of time and return on a loan constitutes *Ribha*, then give it whatever name you will—profit, commission, service charge or mark-up—it will still be *Ribha*. And if bank interest is *Ribha* and a thorn in our economy, then a thorn will remain a thorn by whatever name you may call it. Just because banks cannot be trading organisations involved in *Bai* (trading) and currency transactions would

not be accepted by fundamentalists as leasing, we seem to have played the same game as has been played in some other countries and that is attempting to get around our own given definition of *Ribha* through the medium of semantics.

The State Bank of Pakistan's circular published in the daily newspapers of Saturday last makes it so obvious even to persons of below average intelligence that the system of fixed return over a fixed time period which was hitherto known as interest, will henceforth be known as mark-up. And what is worst is that not only the usurious system of compounding has not been given up but has been made more lucrative for the

banks under the mark-up method.

Islam stands for speaking and observing truth in words, deeds and spirit. Let us pause and think as Muslims if the mark-up system as announced differs in word, deed and spirit, except for nomenclature from the system of commission and returns to the banks as at present. And if there is no alternative, then do we make anything Islamic just by giving it a new name? The impression that prevails in the minds of the people regarding the interest-free banking system is that the banking institutions will be participants in the profits or the losses of the clients who would be transacting business with them. One fails to understand how with this mark-up method the banks will involve themselves in the gains or

losses of their clients. They would mark up or mark down the prices and would charge their commission irrespective of what fate their clients meet. If it has to be so and if the word interest has become so obnoxious and synonymous with *Riba* and usury, why did we not simply adopt the word profit which is now being widely used abroad and has been so successfully adopted by the Directorate of National Savings for its various schemes? Indeed, it would have been more honest. The Islamic Ideology Council owes it to itself and the people of Pakistan to publish its opinion on the mark-up method. So far as we can see the mark-up method as has been spelled out is neither Islamic nor un-Islamic. Why give it a name it does not deserve?

SUBVERSIVE LITERATURE RING UNCOVERED

Lahore VIEWPOINT in English 9 Jan 81 p 14

[Article by Iqbal Jaffery]

[Text]

INTELLIGENCE agencies here have unearthed a ring engaged in clandestinely printing and disseminating subversive literature.

A few arrests have been made in Karachi and further investigations are in progress, according to an official handout issued on January 3 by the Government of Sind.

On January 3, all those arrested were produced before the Summary Military Court at the MPAs Hostel and all of them were remanded to police custody till January 10.

According to official sources, the arrests made so far are said to total 52. A few journalists work-

ing in a local Urdu Weekly, 'Al-fatah', are among those arrested on January 1 from various parts of the city.

Prominent among these are Irshad Rao, Wahab Siddiqui, Wahid Bashir, Editor and Assistant Editor, respectively, of 'Al-Fatah', Naeem Arvi of the Daily 'Mashriq' and Sharaf Ali. They have been charged under various Martial Law Regulations.

In September last, a cell working underground in Karachi & Hyderabad was traced and a number of arrests made. A few days later, a similar cell was unearthed in Multan. The most recent case was reported from Islamabad last month.

POLICE ORDERED TO ADMINISTER FAIR JUSTICE

Islamabad THE MUSLIM in English 27 Dec 80 p 3

[Text]

ISLAMABAD, Dec. 28: The Punjab Government has directed high police officials to take certain measures for expeditious and fair dispensation of justice. It has also pinpointed areas of weaknesses in the functioning of Police and Magistracy.

These include hardships the people face in the registration of cases with the police; absence of the accused from the Courts; undue delay in the submission of challans; poor turn-out of the prosecution witnesses; huge, unmanageable number of summary cases; long delay in the disposal of criminal cases and lastly, the subversion in the examination and checking of traffic and vehicles.

REGISTRATION OF CASES: It has been observed that the ordinary persons, specially in the rural areas, can seldom hope to get a case registered even though the crime may be as serious as burglary. At times the poor villagers have to 'move mountains' for getting police help.

It has been suggested that the Local Councils could be of help in the reporting of crimes within their jurisdiction. This, in fact, is one of the duties of the elected Local Councils as incorporated in the Ordinance of 1979.

The Government plans to make it obligatory for the local police to register a case as and when the commission of an offence is reported by a Union Council. This, the Government feels, would definitely help in ensuring free registration of cases.

It has been noted that a large number of cases has been lagging on for years, thus eroding public

confidence in the Administration.

In certain Districts, the number of cases which are pending because of the non-appearance of the accused is as high as 20 per cent.

The Government may launch a whole-hearted campaign against such offenders.

It is pointed out that often the submission of challan is delayed for months which could lead to enlarging the potential of mischief by investigating agencies.

The District Magistrate and Police Superintendents have been asked to ensure that challans are submitted within the specified period of 15 days.

On the summoning of the witnesses, it has been observed that unless at least 50 per cent summoned by the Courts are made to attend, the judicial system cannot be made to function ever at the optimum level.

A plan of action has to be devised by every District Magistrate for the disposal of all pending summary cases within less than three months.

Special attention has to be paid to the disposal of old criminal cases pending for years. All such cases pending for more than two years must be disposed of within three months.

It is alleged that huge amounts of black money changes hands in the process of examination of public vehicles as well as during traffic checking. Both systems require to be re-examined and improved. For example, traffic checking can be done by teams of officers instead of individuals.

All concerned departments have been asked to send their progress reports on the implementation of the suggestions made by the Government to Lahore.

PROVINCES ASKED TO FORM LAW, ORDER COMMITTEES

Islamabad THE MUSLIM in English 5 Jan 81 p 1

[Article by Qaiser Butt: "Law & Order Bodies Soon"]

[Text]

ISLAMABAD, Jan. 4: The Federal Government has asked all Provincial Governments to set up law and order committees in their respective provinces to strengthen the law and order situation in the country, an official source told The Muslim here today.

Following the directive, the Punjab Government has already set up a six-member committee, the source said and added that its first meeting would be held in Lahore on Jan. 24. The committee was constituted from among the Chairmen of various District Councils, Corporations and the other officials. The Governor, who is also the Chairman of the Provincial Council, has approved the constitution of the committee,

he added.

The members of the committee are: Mohammad Raja Basharat, Chairman Rawalpindi District Council, Mohammad Riaz, Mayor of Faisalabad Corporation, Ch. Mohammad Iqbal Dar, Chairman of Sheikhupura Municipal Corporation, Nawab Liaquat Ali Khan, Vice-Chairman of Multan District Council, Khakan Bahar, President of All-Pakistan Free Legal Aid Association, Lahore, and Maj. (Retd) Mohammad Akbar, Chairman of District Council, Attock.

The source said the committee would discuss the current law and order situation in its meeting this month in Lahore. Such committees in the other provinces would be set up soon, he added.

CSO: 4220

AUTHORITIES URGED TO DEVELOP NORTHERN AREAS

Lahore THE PAKISTAN TIMES in English 7 Jan 81 p 4

[Editorial: "Uplift in Northern Areas"]

[Text]

The Northern Areas Council has just concluded its latest session and finalised the various public sector projects for the next fiscal year. The commissioner and the councilors taking part in the discussions underlined the need of continued central subsidy for items like kerosene, wheat and sugar whose supply in the Northern Areas is conditional to good communications during climatically difficult winter months. The representatives also discussed the development schemes proposed and in progress in the areas. The Northern Areas have a characteristic economic pattern. Subject to a climate unique in the country and difficult of access from the plains, they are rich in the production of fruit while lacking in conventional food crops like wheat. Cold but dry for months,

they need an efficient system of irrigation in the valleys. In Gilgit agency, for instance, the valley's fast running streams have to be controlled and channelled for agriculture and prevented from pouring headlong into the Gilgit river. The economy of fruit has to be supported with the setting up of canning and drying factories.

Rural uplift in the Northern Areas is the backbone of the development planning of the region. Its Directorate of Local Bodies and Rural Development was given Rs. 10 million late last year to spend on projects providing drinking water, roads, bridges, water-channels, rural electrification, cottage industry and local handicrafts. Although not a big allocation in itself, the amount, if spent in good time and on projects directly affecting public welfare, will change the complexion of the Nor-

thern Areas. In the circumstances that prevail, the public servants will have to participate wholeheartedly in the development work. There is no room for taking things easy, and there must be strict safeguards against such a tendency. For instance, in the last six-month period the allocation of Rs. 63 million for various schemes could not be fully utilised and only Rs. 40.8 million were disbursed on running projects by November. The Government has taken note of this slow-down and has pulled up the region's administration and has appealed to the people's representatives to work with dedication for the improvement of their constituencies. The economic possibilities in the Northern Areas are infinite; we need enthusiasm, creative thinking and application on the part of administrators and representatives to realise them.

BALUCHISTAN TO GIVE FOOD, FRUIT PRODUCTION PRIORITY

Karachi MORNING NEWS in English 10 Jan 81 p 2

[Article by Asif Ali]

[Text]

QUETTA, Jan 9. — The Baluchistan Government had attached top most priority to the production of food and fruit in the province, official sources said here today.

Wheat-sowing was in full swing over an area of 4.47 lakh acres of land during the current rabi season.

More than 30 per cent of sowing has been completed while remaining sowing will be over by next month.

The wheat target has been fixed at 24 lakh tons this year as against 2.25 lakh tons during the corresponding period last year.

The Government has given facilities and incentives to the

farmers to maximise wheat production.

These incentives include provision of Rs 30 lakh concessional loans and 25,000 maunds of good quality high-yielding wheat seed for the farmers.

A chain 56 fertiliser depot has been set up to ensure easy supply of fertiliser to the farmers throughout the province.

About fruit production, he said that 1.62 lakh tons of different types of fruits have been produced this year.

Valued at Rs 12 crore fruit had been produced by the farmers in the province during the corresponding period last year. Fruit production was 2.52 lakh tons.

JOINT FISHING VENTURE CRITERIA ANNOUNCED

Lahore THE PAKISTAN TIMES in English 22 Dec 80 p 10

[Text]

KARACHI, Dec. 21: The Federal Government has announced the criteria for joint fishing venture in exclusive 200 nautical miles economic zone of Pakistan.

This has been done to facilitate the intending Pakistani entrepreneur to collaborate with foreign fishing companies to exploit the marine resources.

The criteria for joint ventures include certain clauses to protect the interest of small fishermen as well as to benefit the country.

According to the criteria the duration of joint venture agreement, that would be extendable by Government, shall not be less than one year, and it would be counted from the date of arrival of foreign vessel in Pakistani waters.

Under the agreement the Pakistan Government will be eligible to terminate the agreement at any time by a written notice but the period of notice will not be less than one month. Fishing will be allowed beyond 25 miles along the Sind coast and beyond 12 miles along Baluchistan coast upto 200 nautical miles in the exclusive economic zone of Pakistan. No fishing for any kind of fish will be allowed in the territorial waters, it adds.

The marketing and export of catch will be subjected to prior permission in writing from Government and to the prevalent rules and regulations.

According to the criteria the percentage of equity to be shared between the Pakistani firm and their collaborators as well as other terms and conditions of sharing the operative expenditure of the vessels and catch will be determined by mutual agreement between the Pakistani firm and their collaboratory. It stipulates that the contracting party shall pay to Government royalty as high as possible, but not less than 10 per cent of the total catch. The contracting party shall open, maintain and operate a foreign exchange account and deposit therein for payment to Government as high as possible but not less than 30 per cent of the exportable catch value.

The income from the joint fishing venture shall be exempted from income tax duties until June 31, 1983 and subject to such further extension or otherwise as allowed by the Central Board of Revenue.

The criteria also stipulates that foreign fishing vessels during their presence in Pakistani waters will employ Pakistani crew which will not be less than 50 per cent of the total deckhands on board.

The foreign collaborators will also impart training to Pakistanis in the marine fisheries so that the local fishermen could use the latest techniques and benefit from their experience.

The foreign vessels in Pakistani waters will abide by all the laws, rules and regulations in force in Pakistan and shall be liable to the prescribed penalties applicable for violating any such laws, rules and regulations, the criteria adds —PPI.

FISHERIES DEVELOPMENT PROJECTS FOR SIND REPORTED

Islamabad THE MUSLIM in English 20 Dec 80 p 6

[Text]

KARACHI, Dec. 19: Fish and shrimp production of Sind Province could be increased from 24,000 million tons in 1979 to over 150,000 million tons by the year 2000.

The feasibility studies carried out by the Asian Development Bank indicate that the sea fish production from National waters could be increased from 500,000 million tons in 1979 to over one million tons by 2000.

The Provincial Government had sought technical and finance assistance in early 1979 from the Asian Development Bank to undertake detailed feasibility studies.

The country is faced with serious animal protein gap to an extent of about 80 per cent of the optimum requirements. Sind, which can meet the requirements of protein to a great extent commands 70 per cent of the fresh water and about 60 per cent of the marine fisheries resources of the country. The inland fisheries resources comprise an area of 7.6 million hectares, whereas the marine resources stretch to about 47.2 million hectares in exclusive economic zone.

On the basis of the studies made by the Consultants, two major development projects were formulated. Foreign consultants and local officials are being appointed for the execution of these projects and other measures are also in progress.

Under one of these projects a loan agreement was signed between Pakistan Government and the Asian Development Bank of Dec. 20 last year. The Project involves a total cost of Rs. 230 million, about Rs. 110 million in foreign exchange. Out of it the Sind

Province component shall cost Rs. 70 million in public sector and Rs. 70 million in private sector through the Agriculture Development Bank of Pakistan.

Under the other Development Project, credit facilities will be available to fish farmers and fishermen, for setting up fish farms and fish ponds over 2,600 acres, ice plants and cold storages at Kinjar and

Bakar Lakes, besides operating insulated and refrigerated fish farms, and to supply 100 boats and 200 outboard motors, better gears and equipment through the Agriculture Development Bank of Pakistan.

This project is anticipated to be completed in June 85. It will result in increasing inland fish production from 24,000 million tons in '79 to 49,000 million tons in '85, increase exports by Rs. 10 million.

To develop marine fisheries the Karachi harbour is to be rehabilitated and improved at a cost of Rs. 120 million. It is expected to be available as a grant from the European Economy Community both in foreign exchange and local currency.

A new fish harbour is to be constructed at Korangi Creek at a cost of Rs. 335 million the Karachi fish harbour improvement is expected to be completed in 1983 and the Korangi fish harbour in 85.

Negotiations with the Asian Bank have been concluded for this project at Manila in the second week of November last and the loan agreement is expected to be signed sometime this month.—APP

CARBON BLACK PLANT ENTERS EXPORT MARKET

Karachi BUSINESS RECORDER in English 21 Dec 80 p 1

[Text]

The public sector carbon black plant, first in the country set up by National Petrocarbon Limited, a company of State Petroleum Refining and Petrochemical Corporation (PERAC) has entered the export market.

According to PERAC sources the maiden consignment of 125 tons of carbon black against an initial total export order of 1,345 tons valued at Rs 8.7 million was exported yesterday.

The plant which started production in the current fiscal year has met the total requirement of carbon black for the current year. The present domestic demand is around 2,000 tons annually.

The plant will save Rs 12.2 million annually by way of import substitution and earn between Rs 20-30 million through export of surplus products in the initial years of its operations.

The plant will meet the entire demand of the country's tyre and rubber industries.

The plant which has brought a new technology in Pakistan has been set up at Bin Qasim under the "pay-as-you-earn" scheme at

an estimated cost of Rs 160 million including Rs 90 million in foreign exchange.

A French company has designed and established the plant on turn-key basis under a suppliers' credit of Rs 76.8 million repayable in 10 half yearly instalments. The process is of an American concern.

The raw material for the manufacture of carbon black would be a by-product of the "furfural" extraction unit of the National Refinery Limited. The raw material would be transported to the plant by road in tankers in 7,000 tonnes capacity tank built at the refinery. About 2,500 tonnes carbon black would be used per annum in the country to improve the abrasive quality of rubber.

According to National Petrocarbon Limited sources export enquiries were received from Yugoslavia, Sri Lanka, Iraq, Egypt and Philippines to which samples of carbon black were sent for chemical tests.

The plant was working in three shifts with 87 Pakistani hands and the number would later go to 133.—APP.

CSO: 4220

PRAGMATIC MEASURES URGED FOR FAMILY PLANNING

Lahore THE PAKISTAN TIMES in English 16 Dec 80 p 4

[Editorial: "Population Master Plan"]

[Text]

The Government has approved a master plan, effective from 1981 to 1983, which will seek to bring the growth-rate of the country's population from the current 3 per cent to 2.5 per cent. Pakistan's population is expected to double by the year 2001. According to the statistics compiled by the World Fertility Survey this year, only 8 per cent women in Pakistan use contraceptives. Our family planning programme has been in operation since 1965 but such is the enormity of our failure in this crucial sector that our population growth rate, instead of going down, has climbed to alarming proportions. In 1976-77 we spent on it a total of Rs. 202 million, some of which was money given by international organisations, without achieving any results. According to the world survey, ours is one of the highest fertility rates in Asia. Our economic position is such that our dependency ratio now

stands higher than that of India, 93 dependents to every 100 persons out of which children constitute 44 per cent. The newly born in Pakistan are exposed to disease to the tune of 80 per cent. Despite hectic Government efforts, the basic requirement of total child vaccination against disease will not be realised in this decade. The children that we send to school do not always get education. The drop-out ratio at the primary school level is a startling 60 per cent; girls are virtually all kept illiterate. Such is the inadequacy of our educational system in the face of an exploding population that in certain areas the literacy ratio is actually going down.

It is quite evident that we cannot adequately support the number of children born at the rate of four a minute. The family planning programme has failed miserably at the level of propaganda for various reasons, the big-

gest one being the illiteracy of the target individual who makes up most of the population of the country. Propaganda and motivation campaigns have presumed a basic susceptibility to literate rationalisation among the population. Governments have been indecisive about family planning and have relied too much on external assistance. Terrifying prognostications about all economic growth being nullified by growth in human numbers seem not to have persuaded the planners in the past. Although a number of seminars held under the auspices of the Islamic Conference have endorsed family planning and have categorically accepted the system as non-repugnant to the teachings of Islam, the average citizen seems to be confused about it. This psychological imped-

ment to the implementation of family planning programmes in Pakistan must be removed before the task of arresting the growth rate of the population can be effectively undertaken. Family planning needs to be brought down from its macro-level objectives to micro-level targets where its operational aspects can make direct contact with the individual in need of contraception. Recently, an organisation called Fertility Regulation Association announced that it would open control centres in the major cities of the country and try to achieve 2,000 sterilisations at each city over the duration of one year. If family planning is to come to Pakistan it will be through pragmatic measures like this undertaken on a scale compatible with the problem we face.

GOVERNOR OPENS IODIZED SALT FACTORY

Peshawar KHYBER MAIL in English 24 Dec 80 p 1

[Text]

NWFP Governor Lt. Gen. Fazle Haq has said that the government was spending a huge amount on the improvement of public health sector and crores of rupees were earmarked for this purpose every year in the budget.

Incugurating the Goitre Control Project in the Industrial Area at Jamrud Road here on Tuesday he said that the manpower was a great asset of the country, therefore it was necessary to maintain this power for the effective functioning of all the projects of development.

He said that it was the endeavour of the present government to bring at par the areas which were neglected in the past with the comparatively developed

areas of the province and expeditiously completed the projects of social welfare.

The districts of Swat and Chitral were also amongst those areas, he remarked, adding that not only the work in the fields of education and health but the development projects were undertaken on priority basis in these areas.

He said that despite its limited resources, the government was providing every facility to the people of these areas as was provided in other developed areas of the province.

He appreciated the invention of cure of endemic goitre as a low-cost and said that it was a remarkable and commendable invention.

He expressed the hope that the iodized salt produced in the

factory would be easily transported to the Northern Areas of the country so as to root out this disease and to maintain the health of the people of those areas.

The Governor thanked the UNICEF for providing machinery for the project and expressed the hope that the project would play a vital role in fields of health and social welfare.

Earlier, in his welcome address the Chairman of the Sahiwal Development Authority Mr. Azam Khan, said that the authority had established the factory on priority basis at a cost of about Rs 15 lakh and the machinery for the factory had been provided by the UNICEF which cost about Rs 14 lakh.

CSO: 4220

COTTON EXPORTS REACH 4.37 LAKH BALES

Karachi DAWN in English 4 Jan 81 p 10

[Text]

Exports of cotton from Pakistan made by the Cotton Export Corporation (C.E.C.) during the current fiscal year till November last stood at about 4.37 lakh bales valued at 106.23 million dollars and sizeable shipments were to follow in the coming months, the C.E.C. sources said in Karachi.

The sources here said that in spite of slack demand in the world market, the C.E.C. hoped that all the exportable surplus during the current year was expected to be disposed of. The current year's revised target of export is 393.5 million dollars which is based on the production target of 4.3 million bales. During the outgoing year, exports of cotton made by CEC reached a record level of about 340 million dollars. It is hoped that if the production target is achieved, it may be possible for the CEC to achieve the enhanced export target.

The CEC, the sources said, had been successful in diversifying export markets, exploring new markets such as Philippines, South Korea, Indonesia and others. Some buyers were expected to visit Pakistan soon to explore the possibility of buying more cotton from here.

The sources further said that an office of the CEC is proposed to be opened shortly in Hong Kong which has remained a traditional buyer of Pakistan cotton. This

step would be of great assistance to the buyers and spinners of Japan, Hong Kong, South Korea and other countries in this region which faced difficulties in visiting Pakistan to negotiate and finalise business. This would also help to the CEC to keep close liaison with the buyers and enable it to obtain information on current market situation directly through its own sources as well.

This proposal, they said, had already been welcomed by the cotton community in the Far East.

An International Cotton Club of Pakistan, the sources said, had been sponsored by the CEC, a branch of this Club would be opened in Multan shortly. The membership of the club will be open to cotton traders, export agents and procurement agents of CEC, growers, ginners, textile mills and international firms. This club is intended to provide a forum to all the sections connected with the cotton economy where they can discuss the cotton situation.

The CEC said that at the moment, due to the threat of recession, the mills in the country were not coming forward to purchase cotton in big quantities. Although the prices have been generally firm, the demand has been slack and low. Even the international merchants are very cautious and not coming forward to buy in a big way.—APP

BRIEFS

RICE EXPORT TO SENEGAL--Karachi, Dec 21--Pakistan is to export 50,000 tons of rice worth Rs 135 million to Senegal. An agreement for the sale of rice was signed here today between a visiting 3-member official team from Senegal and the Chairman of Pakistan Rice Export Corporation, Mr Riaz Naik. The Chairman RECP later told Radio Pakistan that the shipment of the rice will start from February and the entire shipment will be carried by the Pakistan National Shipping Corporation. This will earn substantial foreign exchange for Pakistan, Mr Naik said.--APP [Text] [Lahore THE PAKISTAN TIMES in English 22 Dec 80 p 5]

PAMPHLETS, CASSETTES SEIZURE--Quetta, Dec 21--The Government of Baluchistan has immediately forfeited a pamphlet consisting of eight pages issued by the defunct National Democratic Party which contains objectionable material falling under the West Pakistan Press and Publications Ordinance, 1963, says an official handout. The Baluchistan Government has also immediately forfeited cassettes containing propaganda material in Baluchi and Pushto smuggled into Pakistan from Afghanistan. An official handout issued here today said that these cassettes are highly objectionable and prejudicial to national integration.--APP. [Text] [Lahore THE PAKISTAN TIMES in English 22 Dec 80 p 10]

LICENSE FOR OIL EXPLORATION--Karachi, Dec 26--The Federal government has granted Petroleum Exploration and Prospecting Licence to a British firm B.P. Petroleum Development Limited and Oil and Gas Development Corporation, Karachi over Dadhar area covering 5460 square miles in Sibi, Kalat, Khuzdar and Nasirabad Districts in Baluchistan and district Larkana, Sind, for a period of four years, it was learnt from official sources. [Text] [Quetta BALUCHISTAN TIMES in English 27 Dec 80 p 4]

ABU DHABI INDUSTRIES--Lahore, Dec 23--Abudhabi has shown keen interest for financing and the setting up of a number of industrial units in Pakistan in collaboration with local industrialists. A leading businessmen of Abudhabi on behalf of his country has approached the Investment Promotion Bureau (IPB) of Pakistan for setting up of 13 various types of industrial units in this country. The IPB has circulated a letter to various business organisations in the country inviting applications from interested businessmen and industrialists. The industrial units envisaged to be set up by Abudhabi entrepreneurs include power engineering, solar energy conversion petroleum and petrochemicals mining, water engineering, communication (roads highways), bridges,

railways and (telecommunication), steel mills and fabrication and heavy inorganic chemicals. The entrepreneurs have also shown special interest for financing units for manufacture of grid overhead transmission line and power stations, telephone system (fully electronic switching system (digits), cement factories and sugar mills.--PPI [Text] [Karachi BUSINESS RECORDER in English 21 Dec 80 p 1]

BALUCHISTAN RURAL PROGRAM--Quetta, Dec 22--The Baluchistan Government has undertaken a crash programme costing about Rs 40 million for the benefit of the people living in the tribal and rural areas of the Province. Our Representative says under this programme construction of rural roads, development of drinking water resources, improvement of health and sanitation services have been undertaken. The programme also provides for better education facilities for the rural and tribal children. The Programme is expected to be completed by June next. [Text] [Quetta BALUCHISTAN TIMES in English 23 Dec 80 p 4]

12 GAS FIELD DISCOVERIES--Quetta, Dec 18--Twelve more gas field have been discovered in the country raising the total to thirteen. Eleven exploration companies including eight international are engaged in determining the extent of gas deposits. Official sources said here this morning that of the total gas fields recoverable reserves of nine gas fields have been estimated at over 17 trillion (17000 billion) cubic feet. [as published] Nearly fifty per cent of the gas is available at Sui, meeting more than 80 percent of the natural gas requirements for the country. At present Sui is producing about 650 million cubic feet of the total production of 800 million cubic feet of gas per day. The balance is met by gas fields from Sari Sing, Hundi and Mari. These sources said that as a result of discovery of gas, Pakistan has been saving during the current financial year foreign exchange valued at about 750 million dollars. [Text] [Quetta BALUCHISTAN TIMES in English 19 Dec 80 p 1]

NO-RISK INVESTMENTS--Karachi, Dec. 23--The interest-free deposits received by nationalised commercial banks on voluntary basis from Jan 1, 1981, will be invested in clearly defined fields on "Bai Muajjal" or "mark up" basis, it was learnt here today. Under the "mark up" system, the normal profits of a particular line of business or trade will be determined and a fixed return on investment will be sought by the concerned banks. The investments would, therefore, carry no risk. Investments made on "Bai Muajjal basis" will cover financing of foodgrains and commodity operations of Federal and Provincial Governments and semi-government organisations like trading, Cotton Export and Rice Export Corporations, documentary export bills, inland and import bills. Besides, the banks will also be authorised to buy NIT Units, ICP Mutual Funds, Participation Term Certificates (an instrument which will replace debenture financing), shares of Bankers Equity and Investment Corporation of Pakistan with the interest-free deposits received by them. These investments along with finances, provided to the House-Building Finance Corporation, will be on the profit and loss basis. Although the ratio of profit and loss to be shared between depositors and banks was not immediately known, the profits on interest-free deposits will be treated as dividend and exempted from income-tax up to Rs 15,000 per annum. Meanwhile, necessary amendments in the banking laws, including the State Bank Act, will be announced before January to enable the commercial banks to start the first phase of their interest-free operations. [By Jawaid Bokhari] [Text] [Islamabad THE MUSLIM in English 24 Dec 80 p 1]

KUWAIT DEFICIT OIL PURCHASE--Islamabad, Dec 24--Pakistan will buy 1.5 million tons of deficit oil products from Kuwait during 1980-81 under an agreement signed here today. The agreement, which reportedly offers highly competitive prices to Pakistan, was signed by Masihuddin, Secretary Petroleum and Nadir Sultan, a high official of the Kuwait National Petroleum company. The agreement also includes a clause under which Pakistan would be entitled to reopen the question of prices. So far it was the sole right of the supplier. The contracted quantity includes one million tons of High Speed Diesel (HSD) 0.4 million tons of kerosene, and the balance of Light Speed Diesel (LSD) and High Octane Blending Component (HOBC). Last year Pakistan purchased 1.8 million tons of deficit oil products from Kuwait, which meets the entire demand of Pakistan in this sector. The reduction has been due to conservation measures and more production in our own plants, Mr Masihuddin told THE MUSLIM. About 120,000 tons of the import would be used as filler for the newly-commissioned PARCO pipeline. The new deal also gives some advantage to Pakistan in the freight charges because from Jan. 1 next bigger ships would be able to enter the Karachi Port where the draught has been increased. Pakistan has been reportedly given preference over India, Iraq, Iran and some other countries who also requested Kuwait to sell these products. In spite of scarcity of these goods in the region due to Gulf War the KPTC agreed to meet the full requirement of Pakistan, it was further learnt. [By Sikander Hayat] [Text] [Islamabad THE MUSLIM in English 24 Dec 80 p 1]

STEEL MILLS COMMISSIONING DELAY--Karachi, Dec. 29--The commissioning of the first phase of the multi-billion rupee Karachi Steel Mills project has been delayed because the firing of the first blast furnace originally scheduled to be commissioned in the current month will now take two to three months more. Sources close to the Mills' administration told THE MUSLIM that the delay was basically due to the general "testing of auxiliary units," which was now in progress. They, however, did not confirm or deny the reports that some defects had been discovered in the coke oven complex, particularly its generating unit which would take some time for completion. The raw materials needed for the commissioning of the first phase have already been obtained such as the pig iron and the coal, partly from India. The administration and the technical staff, however, are working day and night to ensure early commissioning of the project which will usher in era of gradual self-sufficiency in steel. [Text] [Islamabad THE MUSLIM in English 30 Dec 80 p 1]

SUBVERSIVE LITERATURE SUPPRESSED--The Sind Government forfeited all copies of an Urdu novel, 'Zinda Bhutto, Murda Bhutto,' written by Sattar Tahir and published by Syed Qasim Mahmood, Maktaba Shahkar, Clifton Road, Lahore. The Government thinks that the book contains material which tends indirectly to incite hatred against the Government. The order was published in the Sind Government Gazette on January 1. [Text] [Lahore VIEWPOINT in English 9 Jan 81 p 14]

CSO: 4220

THAILAND

KRIANGSAK TO FORM PARTY, STILL SUPPORTS PREM

Bangkok SIAM RAT in Thai 3 Dec 80 pp 1, 12

[Article: "Kriangsak Encourages the Government to Complete Its Term"]

[Text] General Kriangsak Chamanan has confirmed that he will definitely establish a political party and will engage in politics. But he will wait until a political party law has been enacted.

The former prime minister has confirmed that he will resolutely refrain from taking MP's from other parties to form his party. He stated that he does not want to comment on the matter of MP's causing trouble except to state that it is natural for political parties to guard their interests. However, they must also consider the common interests of the country and people.

General Kriangsak also confirmed that he wants the government of General Prem Tinsulanon to continue governing the country until the end of its term of office. The troubles of the government are natural and they arise during every administration.

"Anyone can form a government but a frequent change of governments is a step backwards," stated General Kriangsak.

Concerning the present economic problems, the former prime minister stated that it is very saddening that the income of the people has not increased quickly. This has created hardships for them. But the people must help themselves because this is a problem that is affecting the entire world.

"We must all help each other and make sacrifices. The government must not be the only one to make sacrifices. These days, if people still try to gain the advantage for themselves, in the future there will not be any chance for gaining the advantage," stated General Kriangsak.

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THAILAND

KRIANGSAK RETURN TO ELECTIVE POLITICS DISCUSSED

Bangkok TAWAN SIAM in Thai 8 Dec 80 pp 5, 2

[A Half Is a Half column by Phet Banlaem]

[Text] Although he resigned the position of prime minister, or retired from politics, General Kriangsak Chammanan acts as if he is thinking about returning to politics again, waiting only for the right time or a suitable chance.

Concerning the right time, when a political party act has definitely been promulgated, General Kriangsak has confirmed that he will establish a political party and get involved in politics seriously. It is thought that this means that he will seek election to parliament.

Concerning the fact that General Kriangsak is thinking about returning to the political arena following constitutional, or democratic, methods -- that is, by establishing a political party and standing for election -- this is a right and freedom and, as a government leader, he should do this and he should be supported.

General Kriangsak once governed the country, even though he did not come to power in a democratic way. He came to power by luck, or on the top of a tank, but it must be recognized that he experienced many problems and various important events and, therefore, he should have adequate political experience.

If he enters politics again, this should give the people a broad field from which to choose.

In particular, General Kriangsak has stated, in forming his political party, that he will resolutely refrain from taking members of other political parties into his party.

In other words, he will not form a political party by "fishing in a pond" and getting MP's who were elected on the basis of their affiliation with some other political party to join his new party as some people like to do.

I admire this correct and reasonable decision. It shows his intention of engaging in politics in a really democratic way, that is, he will allow the people to decide whether or not to support him and to decide how much they trust him rather than buying people or using political positions to induce people to join his party, which teaches some MP's who were elected by the people first to betray the people.

Concerning this type of political party, I think that such parties are very dangerous, and not just to the democratic form of government. They are also a threat to the security of the country.

Besides this, a party that is established by inducing MP's who were elected in the name of other political parties to become members of the party frequently fails to gain the confidence of the people, who question the party's honesty and sincerity.

Or it can be seen that some political parties were not established to serve the majority of the people or protect their interests, although that is what they claimed. Rather the party was established in order to gain positions or personal benefits for certain people or groups.

The reason that I have constantly opposed, or not agreed with, this way of forming a political party is not that I am not satisfied with or prejudiced against those involved in establishing these parties. Rather it is because I want the people in general to help preserve the proper political party principles, or correct party system.

Because, from what I have seen, such political parties have tended to destroy the political party system and democracy in Thailand since the people think that these political parties are only the tools of certain politicians, who use them to justify their search for benefits and power in parliament.

There is nothing binding them to the people at all.

For these reasons, I was happy to hear General Kriangsak Chamanan announce that he intends to enter politics again following democratic methods. I support him and hope that the people welcome this and give him proper support.

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THAILAND

SOVIET SUPPORT OF SRV ROLE IN INDOCHINA ANALYZED

Bangkok SIAM RAT in Thai 8 Dec 80 p 11

[Article by Kasem Ahasai: "Moscow's Attitude Toward Asean"]

[Text] An international political theorist once made the statement that the Indochina problem will be solved, with Vietnam withdrawing its troops, only when this is supported by the Soviet Union since the Soviet Union gives Vietnam financial aid to carry on the war in Kampuchea in order to completely suppress the Pol Pot group.

This way of thinking has been implicitly applied in the policies for solving the Indochina problem. The Asean countries have joined together in stipulating that they will "ask" or "force" the Soviet Union to do this. They have sent a representative, Mr Arun Phanuphong, the deputy minister of foreign affairs, to meet Mr Andrey Gromyko, the Russian minister of foreign affairs, in order to discuss a "formula for solving the Indochina problem using political means" by stipulating the important goals as a starting point in this matter and holding a multi-nation conference for the countries concerned. But the reports that have been issued have not stated whether the Soviet Union opposes or supports the plan calling for a multi-nation conference.

The person who released this information for the first time was Air Chief Marshal Siddhi Savetsila, the minister of foreign affairs, who has constantly been kept informed by Mr Arun Phanuphong during his visit to Western Europe.

Concerning the indifferent response of the Soviet Union, if we discuss things superficially, it seems that Thailand has met with failure in its efforts to have the Soviet Union support the "single game" concerning Asean. But, it was expected from the very beginning that the Soviet Union would react this way.

In reality, the main reason behind Mr Arun Phanuphong's trip to the Soviet Union was that Asean wanted to officially inform the Soviet Union of its position, or policy, in detail.

"In reality, the Soviet Union does not want to have control over Vietnam. The real benefits to the Soviet Union are that it wants to use Vietnam to cause trouble for China and it wants to use Vietnamese territory for the benefits in implementing its worldwide strategy. For example, the Soviet Union is making use of the port at Cam Ranh Bay and has installed electronic equipment in order to intercept messages there," remarked a diplomat who is an expert on Indochinese affairs to the newspaper SIAM RAT recently.

"In fact, the Soviet Union wanted to help Vietnam settle matters with the Pol Pot government in just 1 month and so it sent military weapons by air. Thailand openly protested that the Soviet Union was secretly sending aircraft across Thai air space in excess of the number of flights approved. But it has been more than a year and Vietnam has still not been able to completely suppress the Pol Pot forces. This diplomat also observed that one day soon the Soviet Union may have to cut back on the 2.5 to 3 million dollars a day in aid that it has given to Vietnam up to now. This is because the Soviet Union itself is experiencing great domestic economic problems and there are not enough products for consumption. At the same time, it is having to spend large amounts of money to suppress the liberation movement in Afghanistan, which is a serious situation at present.

Some news sources have reported that, in Vietnam's high-level administrative circles, at present serious opposition is arising to the "militaristic" policy of the older leaders who are very nationalistic.

This opposition [is said] to have arisen even within the Political Bureau, which is the important body in governing the country. New members of the Political Bureau feel that waging war at this time in order to realize the high ideals of Ho Chi Minh in creating an Indochinese Federation is an extravagance and that it will harm the economy of the country in general.

"But it is most unlikely that these differences will give rise to a reversal of policy since Vietnam has been able to withstand hardships for more than 30 years now," explained this diplomat.

The above is the position of Vietnam and efforts are being made to determine what its response will be to Asean's peace plan, particularly with regard to holding the multi-nation conference that Asean has requested, or wants to hold.

It is expected that Vietnam will hold firm to its original position. That is, it will not take part in such a multi-nation conference and will continue with its plans to hold elections in Kampuchea in order to be able to claim that the Khmer people approve of the Heng Samrin government.

The thing that should be known is that, in fact, Vietnam does not want the Soviet Union to come in and be their "lord" either. The fact that Vietnam "said goodbye" to China after achieving victory in the war against America and the government of South Vietnam even though China constantly supported [North] Vietnam in its efforts to destroy the Saigon government shows that Vietnam has a great desire to be its own "boss" and does not want to be under the influence of anyone.

Concerning this matter, there is the story that even China did not believe that Vietnam would ever be able to be its own boss.

Once when Kukrit Pramot was prime minister, he told Mr Deng Xiaoping to be very wary of Vietnam because of its tendency to become a small great-power [nation] in this region. This is becoming a reality. But at the time Deng Xiaoping never imagined that Vietnam would be able to do this.

The Soviet Union is aware of this. But because it wants to use Vietnam as a "deadly enemy" to harass China, which is an old enemy of the Soviet Union, it is somewhat reluctant to abandon Vietnam.

Besides this, the Soviet Union wants to make China anxious about Vietnam, from which it would benefit.

This may be one reason why China remains unwilling to withdraw its support from Pol Pot as Vietnam's "deadly enemy." This is distressing to the Asean countries because Asean does not want any great-power nation to support any side in Kampuchea. It wants the people of Kampuchea to be able to decide their own fate.

One thing that is interesting is the attitude of the Soviet Union toward Asean. Mr Arun Phanuphong has revealed that Mr Andrey Gromyko has given assurances that the "soviet Union does not have any intention of destroying Thailand or any of the other Asean countries.

Besides this, Mr Gromyko also said that the Soviet Union wants to have close relations with the Asean countries.

Concerning this, for the first time, Mr Arun Phanuphong openly expressed the feeling that the attitude of the Soviet Union "shows that consulting with the Soviet representatives has achieved results that are satisfactory to both sides."

But some news sources have stated that the trip by Mr Arun Phanuphong (the former Thai ambassador to Russia) has achieved even greater results than were hoped for.

Since Thailand has shown such a reaction, this may force Vietnam to review its policy of how it will "retaliate."

Thus, I think that if Vietnam is smart, it will agree to the visit of Ahmad Rithauddeen, the Malaysian minister of foreign affairs, who is to visit Hanoi in the near future.

Perhaps it will even be possible to find a way to solve the problems without Vietnam having to waste time discussing matters with the Soviet leaders.

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CSO: 4207

THAILAND

COLUMNIST SUPPORTS BALANCE IN RELATIONS WITH USSR, PRC

Bangkok TAWAN SIAM in Thai 26 Nov 80 p 6

[Politics, an Interesting Subject column by Dr Pricha Hongkraihoet]

[Text] Mr Arun Phanuphong, the deputy minister of foreign affairs, recently headed a delegation from the Thai government on a goodwill trip to the Soviet Union and the socialist bloc countries in Eastern Europe.

The Thai deputy minister of foreign affairs received a warm welcome from the leaders of the socialist bloc countries in Eastern Europe. In particular, in East Germany, he signed a trade agreement with East Germany. This is the first agreement signed with that country and it should be beneficial for friendly relations with the socialist bloc countries in Eastern Europe.

But the news reports coming from the Foreign News Office made it appear that the Soviet government was "cool" to the visit by the Thai delegation and that they were not as enthusiastic as they should have been. Foreign news sources observed that this may have been because Thailand is following a policy that is rather slanted toward China, a country which the Soviet Union regards as a great enemy.

One purpose of the trip to the Soviet Union by the Thai delegation concerned the fact that the Soviet Union sent a flotilla near the Gulf of Thailand. This generated much criticism in the Asean countries, especially by the Thai people. The Thais felt that it was improper for the Soviet Union to do this. The trip to the Soviet Union was thus equivalent to holding "discussions" in order to end the matter satisfactorily between the two countries.

Another purpose undoubtedly concerned the fact that General Prem Tinsulanon, the prime minister, recently visited China. This led the Soviet Union to understand that Thailand was leaning more toward China than toward the Soviet Union. Thus, this shows that the trip to the Soviet Union was meant to create a "balance" of political power between the two communist superpowers.

This writer heartily supports a policy of creating a balance of power between the countries in these two communist camps. This will be more beneficial than leaning toward one of the camps, which may be dangerous. In any case, we cannot trust communism because the final objective in communism is world rule, regardless of whether the Soviet Union or China is the leader of the revolution.

Throughout history, following this policy of "linking interests" has amazingly enabled Thailand to preserve its independence for generations. It is proper that this policy continue to be followed rather than following only one path.

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THAILAND

RESERVE CALL-UP, TRAINING EVALUATED; RTA EXPRESSES CONCERN

Editorial Comment

Bangkok SIAM RAT in Thai 1 Dec 80 p 5

[Editorial: "The Army Trains Reserves"]

[Text] Several months ago the Royal Thai Army began doing something that it had not done for decades -- it began calling up reservists for training in order to test their combat readiness.

This training period came to an end at the end of November. As people who continually followed this story for the newspaper SIAM RAT and who had a chance to participate in this training, we have obtained enough data to be able to present a number of ideas concerning this training that the army can consider as fitting.

First of all, we wish to express our support for this action, which showed initiative and which is good preparation for the situation presently facing the country. This is a period when we must be in full control of our own destiny in order to be ready to handle very uncertain situations such as those that have now arisen in neighboring countries.

However, whether it was because the army was unfamiliar with holding such training exercises or because of a lack of care in making plans and stipulating policies, the results of the training clearly revealed several weaknesses.

The first weakness concerns the lack of explanations, or good public relations. This can be seen from the fact that, during the first period when the reservists "unwillingly agreed" to undergo this training, they lacked morale and spirit and many thought that they were being mobilized to go to the battlefield. This lack of understanding could be seen when they parted from their relatives and when they took along various charms. It even reached the point where some were suspicious about why they had been called up and they wondered what measures the army had used in selecting people. In particular, they even wondered if there had been any corruption in selecting people.

Luckily, after some time had passed, such doubts subsided somewhat. However, the second weakness, which concerns the reservists' worries about loss of work, is something that the army should discuss.

Because this call-up for training was for 60 days, because of the length of time involved the reservists who were not government officials or employees of state enterprises became apprehensive. In particular, those who worked for companies and stores and, even worse, those who had just started jobs, were very apprehensive about whether or not they would still have a job after the training was over. In this case, the army solved the immediate problem but its only reassurance was that it would appeal to the employers. We do not feel that this statement provides any credible guarantee unless the army considers revising the labor laws concerning the call-up of troops so that things are clear.

The final weaknesses are the various weaknesses directly concerning the training. We learned that there were many weaknesses but in the interest of army security, we will not go into specifics except to express the hope that the army keeps investigating things, or evaluating the results, until it discovers the weaknesses, either by analyzing the data or by examining the reports of credible officials in the field. [Officers] should not give attention only to the nice reports of their subordinates.

If it is asked what the achievements were in this training, our answer is that the most important achievement was discovering the above weaknesses. We say this in all honesty and with the hope that, since the army has encountered these difficulties, it will discuss ways to correct the shortcomings in order to improve later training exercises.

As mentioned above, we support the call-up of troops for such training. We feel that this is good. As for the accomplishments, or good results, we feel that there will be better results if the army holds training exercises every year and continually improves the training so that it benefits every sector. Because by carrying out such activities in a serious way, besides giving the reserve forces throughout the country a feeling that they all have equal duties, this will also increase the strength of the army by virtue of the fact that the army will have reserve forces that are ready to support the army when necessary. This should also increase the willpower of the regular soldiers, the people whose duty it is to fight to defend the country.

RTA Fears Embarrassment

Bangkok SIAM RAT in Thai 10 Dec p 4

[Letter From RTA Chief of Public Relations to SIAM RAT]

[Text] Bangkok 0344 (305)/2022
Army Operations Center
December 1980

Subject: Request for cooperation in disclosing information to the public.

To: The editor of SIAM RAT

The army held training exercises for the reserve forces for a period of 2 months, from October through November 1980. The reservists who took part in the training came from all walks of life. There were government officials, state enterprise personnel, merchants and [other] people. The training period lasted longer than any previous training period. Also, those taking part in the exercises included officials from all sectors, including reservists, officials, regular army personnel, civilians and state enterprise personnel, and there was cooperation from the private sector and from various companies and stores. The exercises were held in order to see whether, in the event of a real war, the reservists would be able to immediately perform as a combat ready force in accord with the needs. Because these training exercises were the first exercises to test the deployment of the reserve forces, it was only natural that there were shortcomings. These served as lessons that the army will have to improve. However, if people with bad intentions toward the country use these shortcomings in a way that is damaging to the army, this may make it impossible to achieve the proper results in preparing the reserve forces to become a combat-ready force and play a part in weakening the army. The reserve forces are very important forces of the army. Such damage may cause uncalculable harm to the country in the future. As for the reservists who took part in these training exercises, most were understanding and were very glad to be able to make sacrifices in the interests of the country.

For the reasons mentioned above, I ask your cooperation and the cooperation of your newspaper. Please consider things before you publish stories about the training of the reserve forces. If it is something that may harm the army and the country, please refrain from publishing that material. Or it would be very beneficial if you informed the Public Relations Section, Army Operations Center, or checked the story beforehand.

I have informed you about this to ask for your cooperation. The army hopes for your cooperation and also wishes to thank you in advance at this time.

Respectfully,

General Wichit Bunyawat

Head of the Public Relations Section, Army Operations Center

11943

CSO: 4207

INTERVIEW WITH DEPUTY PRIME MINISTER BOONCHU

Bangkok BANGKOK POST in English 31 Dec 80, THE ECONOMY REVIEW Supplement pp 17, 19

[Interview with Boonchu Rojanastien, deputy prime minister, date and place not given]

[Text]

Question

Mr Boonchu you and your team have been in charge of the country's economy for a little over nine months now. What would you say were the highlights of your activities so far and were these the things you hoped to do on accepting this job?

Answer

I can best answer this by saying that before I accepted this job, I had ideas and plans, which I conveyed to the Prime Minister, about what I felt had to be done, what needed to be changed. I felt that the way the economy was being developed was wrong in a number of ways.

For one thing, past efforts have resulted in industrialists and businessmen reaping the benefits rather than the people who had the most need — the rural population. Everyone talks of inequalities, but the country's development efforts in the past have accentuated this inequality and, by doing so, have created social problems such as crime and lack of security.

I felt, too, that government action in getting involved with market forces, such as through the imposition of price controls, was bad economics as well as bad politics, for it meant that the Government ended up having to accept responsibility for everything. Market intervention is all right but not market interference to the extent of imposing price controls on more than 30 items!

I pointed out that these were the issues we would have to face, and pointed out too that these problems could not

be solved immediately as the marketing system and the ethics of businessmen here, are not very good. However, they have to be dealt with, and this is what we have been trying to do in the last nine months.

Question

How successful have you been in dealing with these problems?

Answer

We have had success in some areas, but many problems still remain. Some people have said that we haven't achieved anything because prices of certain commodities such as sugar and vegetables are high. But if they are fair about it, they would realise that we are hardly to blame for the drought!

However, there are still problems such as income increasing at a very low rate, insufficient savings to meet our needs for investment capital, our increasing indebtedness which is very high and which is nearly at the alarming point.

We still have to find solutions to the rising cost of living, the oil problem. Our energy policy is still vague, the development of our gas project beset by problems and controversies on pricing. People's incomes are not increasing as fast as inflation so that this is still a burden for everyone.

We are now dealing with these problems but it will be some time still before they can be solved. However, what we have done is to try to have prices increase slowly and in a stable manner rather than in leaps and bounds, increase rural income through our 3,500 million baht rural development project,

and through the new budget, decentralise government by giving more authority to provincial governors, create an awareness of the need to conserve energy and so on.

We have had some success, but the success lies only in dealing with the immediate problems. We still have to go to the root of these problems and that is why we are putting such emphasis on and careful consideration into the next five-year plan.

Question

And what of next year? Do you see the problems becoming more acute or do you think things will be better in 1981?

Answer

There is nothing to say that there will be any significant changes next year, except for the start of production of the natural gas project. We hope that this will be in July rather than the scheduled date of September, but no matter when, it will help us save some funds.

Next year too, we hope to see changes in the country's energy picture for plans are being generated now to bring coal into the country as well as to further develop hydro-electric power and gas. We want to see electricity being generated by fuels other than fuel oil.

We are making efforts to keep inflation at a manageable 12% to 13% a year. However, world events affect us too and right now, the one factor that no one can predict is what is going to happen to oil prices. There are signs that they will not increase as rapidly as this year, but no one knows just what oil politics are going to be next year.

We will have to tighten our belts next year, but after a while, things should be better. We are determined to pull back inflation as much as possible, even if it means having to subsidise certain commodities, for we know that there is an end to it — that the cost to the country will be limited.

This has to be done next year, otherwise the burden to be borne by the public will be too heavy. Many people will not agree with this plan of action because it is going against nature, but we can't just walk away from it, especially as we are convinced that things will be better by late next year or early 1982.

Question

A while ago, you went public to say that the inflation rate this year is around 12%, even though just about everyone else has put it close to 18%. How do you reconcile this great difference?

Answer

Determining the inflation rate for any period of time depends on where you start. My figure of 12% is based on the nine months I have been responsible for the economy and does not include the first three months of the year which was someone else's responsibility.

Inflation during those first three months was very high, and it would be unfair to add that in to the inflation during the last nine months in evaluating what our team has done, because it doesn't show what really happened — that we slowed inflation down. If you look at inflation for the whole of 1980, the rate would indeed be about 18%, but if you look at the inflation rate during our administration then it is only 12%.

Question

Mr Boonchu, the Government has indicated that it will stand or fall on its rice support scheme. As many people are still confused by this, do you think you could clarify just what you are trying to do and how you plan to do it?

Answer

We are not expecting this scheme to be 100% successful, but our strategy is such that we believe it should be possible to have an 80% success rate.

The paddy is harvested from mid-November, with the peak in March. This means, there will be 10 to 11 million tons of paddy coming onto the market out of a total production of about 17 million tons over a period of five months.

Our strategy is to build up demand for paddy from the millers and the traders, both domestic traders and exporters. In the past, exporters were not able to enter into long term contracts but were limited to contracts for one or two months forward because they didn't know if the rice premium was going to be changed or not, or what the reserve requirements were going to be.

Now, we are introducing a new system which should allow exporters to sell eight or 10 months ahead of time, for what we are doing is giving assurance that these costs to them will not change. That is, whatever the premium and the rice reserve requirement is the day they enter into a contract, that will be the premium and reserve requirement applicable to them no matter what the new figures might be.

By knowing in advance what their costs will be, exporters will be able to sell forward. We have also indicated to the exporters that we will give them their

export permits immediately they sign the contract, on the condition that they do not use the rice for speculative purposes but prepare it and hold it for export as they committed.

This will encourage the exporters to make their purchases from the millers immediately and these in turn will have to buy the paddy at once. At the same time, exporters have to build up a buffer stock of rice as well as their own reserve stocks and this will mean a large volume of rice being demanded and bought. By creating this demand, farmers should be able to get good paddy prices.

Question

The point however, is that the prices set by the Government are support prices, not guaranteed prices, so how are you going to get the millers to pay this price to the farmers, short of subsidising them?

Answer

What everyone tends to forget is that there are three groups of people in the rice trade — the millers, the exporters and the Government. We are planning to hold stocks too, and we've already started doing so by opening bids for rice which is to be sold to us in the future.

As a result of our purchases, it is possible for other rice traders to see just what rice prices are going to be like in the future so that both millers and exporters realise that if they put off their purchases, they are going to end up making less profit as the price trend is upward. If they don't buy now, it's going to cost them more later on — and they are catching on to this very fast!

The result is that there are now three groups of people competing to buy this paddy rice and farmers are getting the price we want them to get for their paddy. In a way, you could say that this is the beginning of a commodity futures exchange, for in the future, we plan to have similar schemes for other products.

Question

In view of the great controversy over whether Laem Chabang or Rayong is to be the site of the country's soda ash project, can you clarify whether the proposal to develop the eastern seaboard as well as the port at Laem Chabang is still going ahead? There has been some talk that if Rayong wins out over Laem Chabang as the site for the soda ash project, then the plans to develop the eastern seaboard could be shelved.

Answer

We are still going ahead with our plans for the development of the eastern seaboard and for the development of Laem Chabang port, so that any other plans for the development of industries or whatever, will have to be complementary to this. For example, if we plan to import coal, we are going to need port facilities — and even if we don't import coal we will need more port facilities!

What we are studying now is the possibility of building a floating dock which could be used in the Laem Chabang area in the initial stage and then towed elsewhere once the Laem Chabang port is opened. Our studies on this matter should be completed in one or two months, after which it should take only 11 months before we have a floating dock in operation.

Question

Mr Boonchu, earlier on in the interview you mentioned that you were looking to the fifth five year plan to solve Thailand's problems. What are the guidelines set for the formulation of this plan?

Answer

Basically, to alleviate the difficulties which are domestic in nature and which have been accumulating for some time as well as to promote further development of the Thai economy.

The basic objective to be met is improvement of the economic conditions of the country in the 80s, and this is to be done through various major policies such as a fiscal policy which will see the budget being balanced before the end of the fifth plan. This will call for government revenue to increase at not less than 25% a year while government expenditures are to increase by no more than 20% a year. These figures we feel are realistic given past performances.

On the revenue side, we believe this can be done through improvement in the efficiency of the tax collection system, especially in the areas outside the Bangkok Metropolis. Less than a quarter of government revenues in the form of taxes are now collected from outside Bangkok. These would include direct and property taxes.

We also plan to collect new taxes as well as adjust some tax rates to get increased revenues as well as better income distribution.

The policy on government expenditure is that because certain categories such as debt servicing and national security expenditure will have to increase at a higher rate, the Government's current expenditure is not to increase by more than 12% a year in order to remain within the 20% limit set. To control the rate of increase, the Government will monitor and evaluate the operations of all the Government agencies, control staff expansion and turn work over to private firms in case where they can do it more effectively. At the same time, steps will be taken to improve the efficiency of public agencies.

Question

Does this mean then that state enterprises will finally be expected to operate like a business? If so, what are the policies on this and on public utilities?

Answer

We are determined that the total efficiency of operations of public enterprises will be improved. This will be done through close supervision of their balance sheets and financial structures and operations, and wherever necessary changes will be made in top management. All public enterprises have been told to prepare a detailed plan of operations and this will be analysed by experts with monthly monitoring of their finances and production.

What we are looking to is a public enterprise system that is financially viable without having to depend on subsidies from the Government. In fact, they should be in the position to make a substantial contribution to government revenue. At the same time, we want to see public enterprises able to generate at least half their capital expansion plans from their own resources, and to achieve this public utility rate will be adjusted regularly to reflect the real cost of production. In some cases, some public enterprises might be turned over to private business.

Question

And what of the Government's energy policy?

Answer

We consider the ever-expanding foreign exchange requirements for oil imports as one of the most important development problems that have to be tackled, so the Government is seeking ways to lessen the country's dependence on imported oil.

A long range energy plan now being completed takes into account the availability of natural gas at the end of 1981, and increasing the use of lignite and importing coal as an oil substitute. The target for the fifth plan is that total energy demand is not to increase faster than the GDP growth rate and electricity, which used to expand at twice the rate of overall energy expansion, will now be limited to an expansion rate of 10% a year.

To be able to do this, means that serious measures to control demand are needed and these will include conservation measures, and the development of alternative sources of fuel such as natural gas, lignite and coal. Our target is to reduce heavy oil and diesel oil use for power generation by more than 80% by the end of the fifth plan. At the same time, savings will be introduced in transport and industry so that the total volume of oil imports will be reduced by 3% a year throughout the fifth plan.

Special incentives and privileges will be given industries which introduce oil saving measures, and prices and rates for electricity will be adjusted regularly in order to reflect the cost of production as well as to discourage wasteful use.

Effort will also be put into research and development of alternative sources of energy such as oil shales, alcohol, fast growing timber, bio-gas, and geo-thermal, solar and wind energy. These measures, we hope, will bring this problem down to manageable proportions.

Question

The cornerstone of the Government's policies has been rural development. What are your plans for the next few years?

Answer

It is a policy of the Government to promote rural development during the fifth plan, because raising rural incomes is the only way of bridging the income gap between urban and rural areas between the rich and the poor and between Bangkok and elsewhere. The only permanent solution to this lies in the generation of more employment in the rural sector so that they have at least a sufficient minimum level of regular income.

We want to see agricultural output increased through higher yields, to make the best use of water resources, increase

productivity in rain-fed areas through the use of appropriate seeds and better cropping patterns, insecticides and fertilisers. We also want to promote agricultural products that can be exported or used as raw materials for processing industries.

We intend to increase credit facilities, give the farmers assurances on prices and markets, and introduce employment generation schemes particularly for off-season rural employment. This will be expedited through decentralisation of the Government. Given these things, we hope to achieve our targets by the end of the fifth plan.

Question

The policies that you have outlined, Mr Boonchu, are indeed desirable. However, given the frequency of govern-

ment changes here, are you optimistic that this Government will be able to see these policies through?

Answer

I am not concerned whether I will be here or not in one year, two years or five years time. The most important thing is that these are basic policies which the country has to follow if it is to overcome its problems — not in a cosmetic fashion, but by actually solving the problems at their roots.

If the policies are appropriate then I am not afraid that future governments will throw them out. They too, will follow them. Besides, the NESDB is still here and we now have a very good man as Secretary General Dr Snoh Unakul is a very practical man and he can see the need for policies such as these.

Thank you Mr Boonchu.

CSO: 4220

THAILAND

REGIONAL INCOME FIGURES, EXTENT OF SEVERE POVERTY DETAILED

Bangkok SIAM RAT in Thai 2 Dec 80 p 4

[High Skys, Low Lands column by Chalom: "The Danger to the Thai Farmers"]

[Text] Today, there are 10 million poverty-stricken people in Thailand.

These 10 million people are poor because of the development in the country during the past 20 years. That is, after the various programs were formulated and implemented, we created 10 million poor people.

There were not this many before.

As our development plans were implemented, more and more poor people came into being. It is the "classic" example of plans achieving exactly the opposite [of what was intended].

The magazine TRADE BUSINESS, which is the organ of the Thai Chamber of Commerce, provides information that can be believed. Because these people are merchants outside the development plans, they are probably wealthy.

The "merchants" have said that, each day, the income gap between various segments of the Thai population is widening. This is because these development plans have created great differences between the cities and the rural areas.

These 10 million people, whose fathers before them were poor, live in the rural areas and work as farmers.

If international standards are used to measure the income of these people, things will look terrible. It is better to use Thai standards.

If we use an income of 150 baht per person per month as a measure of the poverty level, we find that, concerning the number of

people with this income, one-third of the people in the south and in the north have such an income while in the northeast two-thirds do.

Now let us look at family income. If we assume that each family that has a monthly income of 500 baht is living at the poverty level, we find that more than half of all the families in the south and north have such an income.

And in the northeast, two-thirds of all the families have a monthly income of only 500 baht.

Yes! A background of poverty.

The cause of this poverty is the uncertainty in occupation.

And concerning the reasons for the uncertainty in occupation, it has been proven that this arises in part from selling produce at unfair prices, which leads to failure in their occupation.

Almost all of these 10 million people who are living in absolute poverty are farmers.

These people who engage in farming are as poor as their grandparents before them and they have no idea what to do about this.

As for those who have gone to the Middle East to work, they are only leaving their position temporarily.

It can be seen that our various development plans show a great lack of sympathy for farming. Most of our poor people are farmers and, therefore, the development plans have benefited them very little.

Thus, it is not surprising that, in the past 20 years, many of the daughters of farmers have become prostitutes and many young children have been sold to work as slaves in the cities as Westerners have reported. These stories are true.

Concerning the policy of a rice price guarantee, I think that this is one thing in implementing development plans that will help improve the lives of the farmers somewhat. At least, there is the hope that they will be able to sell rice at better prices.

The fact that the government has made an effort to help the farmers so they can sell rice at higher prices, even if only a little higher, means that the incomes of these 10 million people who are living in absolute poverty have been increased.

Ten million people is not a small number! An increase in income will generate great changes within the country.

The important thing is the hope of being able to continue working as farmers.

With a monthly income of 150 baht, which is the income found by the journal of the Chamber of Commerce during its survey, no one can continue to engage in farming. In not too many years, the number of farmers will decline -- if not because of utter poverty then because of having to change occupations.

When that day arrives, the price of rice will be much higher than today.

Thai farmers today must fight against droughts, floods, insects and diseases. Let's not add the selfishness of citydwellers to this list.

The farmers do not have the strength to fight this last threat.

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CSO: 4207

THAILAND

SOUTHERN SCHOOLS TO TEACH ISLAM

Bangkok SIAM RAT in Thai 6 Dec 80 pp 1, 12

[Article: "Primary Education Seminar Arranged For Four Southern Provinces"]

[Text] The Office of the National Primary Education Council has made preparations to hold a major seminar for the school administrators in four southern provinces in order to reduce the disparities between Buddhism and Islam.

Mr Rung Kaeodaeng, the deputy secretary-general of the Office of the National Primary Education Council, has revealed that, at present, the council is considering taking action concerning Islam in the primary schools of four southern provinces in order to reduce the disparities between Buddhism and Islam so that the students in the four southern provinces gain a greater knowledge of the Thai language.

Mr Rung stated that the council will hold a seminar for the primary school administrators of all four southern provinces in March 1981 so that things proceed in accord with the goals mentioned above.

Mr Rung also stated that, normally, when Thai Muslims in the four southern provinces finish grade 4, their parents enroll them in private schools that teach Islam. These are known as pondok schools and they adhere to Moslem practices very strictly. Thus, these children have little knowledge of the Thai language and they do not complete the minimum grade level stipulated, which is grade 6.

"The Ministry of Education has plans to allow schools whose studentbody is at least 50 percent Moslem to teach Islam so that these students complete the compulsory curriculum. One teacher seminar has already been held, and we will review the new courses that will be offered in 1981 at a future seminar to be held in Yala Province," stated Mr Rung.

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CSO: 4207

THAILAND

IMPACT OF RISING OIL PRICES, CONSERVATION MEASURES DISCUSSED

Bangkok SIAM RAT in Thai 9 Dec 80 p 5

[Editorial: "A Way Out of the Energy [Crisis]"]

[Text] It is almost the end of the year and there is much talk that the price of oil will have to be raised again in Thailand. Even though the new year may arrive on a note of fear concerning the cost of living, the fact that we know ahead of time what is going to happen at least allows everyone to make plans for this. As for this problem that we may face, it is an important problem that all sides must work to solve.

The government has begun to greatly restrict energy consumption. The latest announcement by the government that was issued last week warned all sides of the truth of the fact that oil is becoming a weight that is preventing Thailand and the Thai people from making progress on all fronts. Thailand will have to use shocking amounts of money to purchase oil to produce other types of products. That is, it will have to use up to 44 percent of the total budget on oil. If this had happened to the business of an individual, the person would be considered to be very unlucky.

The plan to conserve oil by closing the service stations and fuel oil distributions stores on Sundays and by restricting sales to before 1800 hours only throughout the country as was announced earlier by the government has had the effect of forcing businesses to review their activities. Before 14 December, which is the day announced for the implementation of the plan, land transportation businesses have been making appeals and showing concern over the difficulties that will arise when all the transport trucks operate on days when there is no gasoline and about the great danger that will result from the trucks having to carry rather large quantities of reserve gasoline for use on days when there is no gasoline. Concerning these problems, these are matters that the government should quickly discuss and [try to] solve because they are important problems that may give rise to difficulties for the people concerning trade and prices.

The plan to conserve oil will certainly receive opposition if the government becomes stricter with those who use gasoline. We feel that in such a situation, the government may not be able to avoid having to raise oil prices. The thing that the government must do will be an important step that will generate criticism and unrest in Thai society for another period of time, just as past governments have learned. We believe that the people will cooperate in the fight against the various problems and cooperate with the government when they have the same understanding about the problems as the government does because this is a matter that directly concerns the stability of the income and expenditures of the people. We should begin to do something and do it regularly so that when it becomes necessary for the more than 40 mil. Thais to face this situation, we will be able to solve the problem in a peaceful and beneficial way.

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CSO: 4207

THAILAND

COLUMNIST DISCUSSES RESTRICTIONS ON FOREIGN LABOR ORGANIZATIONS

Bangkok TAWAN SIAM in Thai 9 Dec 80 p 6

[Politics, an Interesting Subject column by Dr Pricha Hongkraihoet]

[Text] The National Security Council has proposed rules for receiving support from foreign labor organizations. This is because, in the past, many foreign organizations have freely come in and played a role in Thai labor groups without any supervision by government units. Sometimes these foreign organizations have played political roles that have involved the security of the country.

From the statement by the National Security Council mentioned above, we can see that, at present, there is much interference in Thai politics through the use of various interest groups in Thailand such as the laborers, the farmers and the students. Also, these foreign organizations often carry on their activities in the form of "providing help" in various forms, such as by giving money to hold seminars, conferences and meetings, which seems to have become so widespread in Thailand today that it is a "fashion."

Sometimes foreign organizations enter by providing support to hold academic seminars, using "academics" as a cover. In reality, these organizations use the opportunity to "sell their political views" to the members who come to listen. We can often see such seminars being arranged this way for various groups.

Concerning requests for support by these labor groups, Mr Charoen Siriphan, the deputy director-general of the Labor Department stated that, at present, the Department of Foreign Cooperation will serve as the body responsible for supervising foreign organizations that want to provide help to the labor unions. The Labor Department will be responsible only for supporting and cooperating with labor.

Mr Charoen Siriphan, the deputy director-general of the Labor Department, also stated that "concerning the many labor organizations that enter [the country], there are both underground and open organizations. They provide money for seminars in order to propagate

their improper ideologies and views among the various labor unions. In the past, we have infiltrated people [into the unions] to follow the activities of these illegal organizations in order to stipulate set courses [of action]."

Thus, this writer feels that in order to prevent trouble before it starts and to have the supervision of the government bring results in an efficient manner, we should stipulate measures concerning both proper and improper requests for support from foreign organizations in accord with the law. This should also be expanded to include requests for support by other groups and not just the labor groups.

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CSO: 4207

THAILAND

POLICE CORRUPTION, INTERNATIONAL LINK EXAMINED IN ORE SMUGGLING

Bangkok TAWAN SIAM in Thai 29 Nov 80 p 2

[Editorial: "Don't Just Speak Well"]

[Text] Concerning the recent arrest of smugglers in Nakhon Sithamarat Province who were transporting smuggled ore out of the country, it is openly known that government officials were involved in this. They gave protection by supervising the transporting of the ore and preventing officials from other sectors from making arrests. Besides this, it is believed that some influential people and high-ranking police officials gave secret support.

It has been known for a long time that ore is being secretly smuggled out of the country and sold abroad. But it appears that serious and resolute efforts to suppress this have not been made, except for the occasional seizure of small quantities of ore, and suspects have not been arrested. It is thought that the smugglers who smuggle ore out of the country for sale abroad have formed illegal organizations and that there are widespread, closely-knit networks, or in other words, there are government officials involved too. Thus, the smugglers have continually been able to avoid arrest, even though the smuggling of ore requires the use of many workers and large means of transportation.

How well-organized the smuggling of ore for sale abroad is can be seen from the fact that Singapore has built an ore smelting plant even though Singapore does not mine ore itself. This shows that great quantities of ore are smuggled out and sold abroad every year. And when we consider the fact that those who sell this ore at low prices do not have to pay duties or taxes, it can be seen that this unfortunately causes Thailand to lose income and valuable resources.

We agree with a report by military officials that states that the reason why suppression this is so difficult and has not achieved results is that high-ranking local officials have become involved with the influential investors. They have given protection to or invested money in such operations. This has completely discouraged the lower ranking and honest officials. Thus, in order to solve this problem, efforts should be concentrated on those officials who

support ore smuggling in the south and who protect these smugglers. For these reasons, it is time that the government made a serious and resolute effort to solve this problem, or suppress this, before the people start thinking that government honesty, or the policy of suppressing the influential people in the localities, is just talk and nothing else.

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CSO: 4207

THAILAND

BRIEFS

PARAMILITARY FORCES STRENGTH--Mr Phisan Mulasatsathorn, the director-general of the Department of Local Administration, has revealed that between the time of the training of Thai Volunteers for National Defense (TVND) and the end of September 1980, the total strength of the TVND was 634,748. Of these, those of the self-defense type numbered 415,990 and those of the guard and development type numbered 218,758. Of the total number of Thai Volunteers for National Defense, the northeast had the largest number with 380,373. There were 44,433 in the north, 86,171 in the Central Region and 73,771 in the south. [Text] [Bangkok SIAM RAT in Thai 29 Nov 80 p 1] 11943

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5 Feb. 1981